Sustainability REPORT 2022

From *waste*
to a new
resource.

Rifo

Table of contents

Letter from the team 04

01. Rifò circular fashion 06

1.1 Who we are 08
1.2 Our certifications 12
1.3 Our recycled yarns and fabrics 14
1.4 Environmental impact 31

02. Our concrete commitment 34

2.1 Virgin and recycled fibers: innovating production processes 37
2.2 Circular economy: producing sustainable garments 40
2.3 Fighting overproduction 62
2.4 Our Social impact 69
2.5 Company growth: promoting gender equality and welfare 84
2.6 Local economy and textile tradition 88

03. Our ideas for the future 96

3.1 Raising awareness and networking with other entities 98
3.2 Enhancing old garments and industrial scraps through a circular economy 100
3.3 Increasing Rifò's resellers network and physical presence 104
3.4 Communicating our impacts and certifications 106
3.5 Sustainable development goals (SDGs) 107

Letter from the team

Sustainability does not exist at an absolute level. It is a challenge, and we accept it every day.

Since the crowdfunding campaign that started Rifò's journey in November 2017, a lot has happened. Perhaps as much as the amount of water saved by our recycled materials? Who can tell, but we certainly feel the responsibility for this growth.
We feel that this adventure, which began by just following an intuition, is now maturing into a real company.
More and more people and realities are gravitating around it, all committed to truly chance the paradigm of what we call fashion.

Our annual Sustainability Report is an opportunity for us to reflect on our identity and mission, and to summarize who we are and what we do to drive change. So, who is Rifò? We are a brand that produces ethical, sustainable, and circular fashion, but we believe we are more than that. Our aim is to create connections, raise awareness, revive traditions, and draw attention to something that already exists but needs to be valued more.

If we had to describe the current state of our daily activities in three words, these would be balance, courage, and research.

Balance, because balancing our business growth with our values is a challenging task. It takes courage to produce on a small scale in Italy, using sustainable and high-quality materials, when purchasing power is decreasing.

We believe we had the **Courage** to anticipate the times and think outside the box, which has rewarded us so far. We are pleased that the circular economy and textile recycling, which the European Union is now making mandatory, have

been our top priorities from the start.

Research is what drives us forward. While we slowly see the results of our efforts, we need to think about the future and invest in reliable and effective technologies to measure our impact and communicate it to people. Technology can help us preserve traditions and give them new life. We firmly think that we are a live proof that even waste can be transformed into a valuable resource. We will continue on this path, and we hope more people will join us.

Enjoy reading,

Rifò Team

Rifò circular fashion

01.

1.1 Who we are
1.2 Our certifications
1.3 Our recycled yarns and fabrics
1.4 Environmental impact

1.1 Who we are

Rifò is a circular fashion brand that produces clothing with recycled and recyclable materials.

Our supply chain is mainly located in the textile district of Prato, within a radius of 30 km. We are committed to producing our products while reducing our carbon footprint, creating new job opportunities that are fairly compensated, ensuring the quality of our products, and, most importantly, maintaining the ethical nature of the production process.

Moreover, Rifò is a concrete circular economy project: we are the first startup in Europe that coordinates the collection of old garments and their transformation into new products.

We want to be transparent and honest when sharing facts and figures about our circular production.

We are aware of our limits and day by day we try to improve our performances, accepting new challenges and new goals.

Through our activity and our services we aim to have a positive impact on environment and society, following our core values:

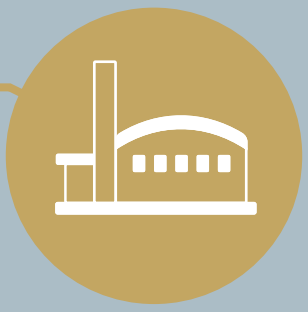
Quality, Sustainability, Responsibility.

The information, findings, and accomplishments that have mattered most to us in 2022 are reported on the pages that follow. In this way, we want to tell what we have done and what we intend to do in the future in order to involve our community in the #Rifolution.

Rifò in numbers

A team of
24 people

Located in
Prato



78.899
Made in Italy garments produced in one year using recycled textile fibers

13,8 tons
Of old garments and textile leftovers recycled

14%
Directly collected through our circular services

A network of
300 resellers
all over the world

1.2 Our certifications

B-CORP AND SOCIETÀ BENEFIT

We recently decided to become Società Benefit.
This certifies that we are a company able to combine the goal of profit with the purpose of operating in a transparent, responsible and sustainable way.

In order to become Società Benefit, we have amended our statute integrating the purpose of profit with the aims of common benefit that we intend to pursue. We are committed to having a positive impact on environment and local communities as well as promoting cultural and social activities.

Specifically, we aim to:

- *Innovate* production processes
- Create clothing using *sustainable methods*
- Create *new working opportunities* for vulnerable people
- Promote *gender equality*
- Increase the number of *local artisan businesses in Prato*'s textile district involved in our circular economy project

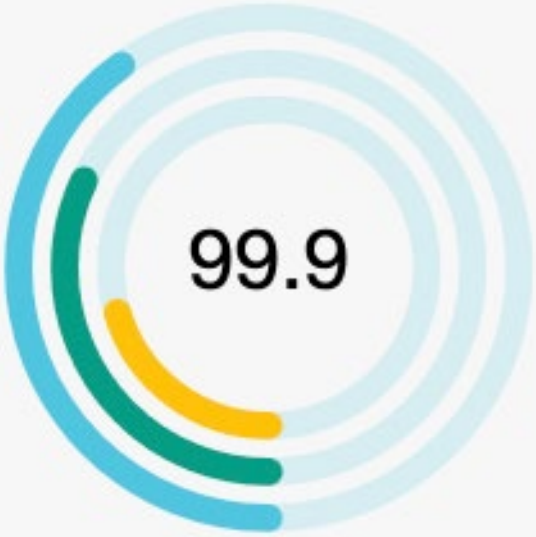
In 2020 we have been formally recognized as a **B-Corp** and from 2021 we have maintained an **overall score of 99.9** that is **49 points higher** than the median score for ordinary businesses.

Our practices and outputs have been evaluated by the B Impact Assessment in regard to social and environmental performance across five key impact areas: Governance, Workers, Community, Environment and Customers.

For two years now, we are part of a global community of Certified B-Corporations who meet the highest standards of verified performance, overall social and environmental performance accountability, and transparency.

Our overall B impact score

Click here to learn more about our score.



99.9 Overall B Impact Score

80 Qualifies for B Corp Certification

50.9 Median Score for Ordinary Businesses

Certified

B

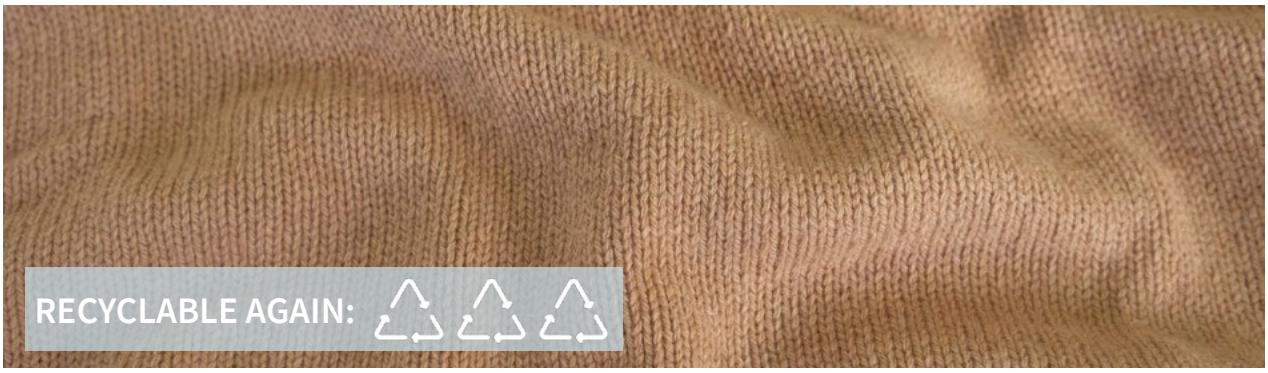
Corporation

This company meets high standards of social and environmental impact.

1.3 Our recycled yarns and fabrics

Cashmere

95% recycled cashmere, 5% recycled wool
ORIGIN: Italy



Wool cloth

62% recycled wool, 38% recycled polyamide
ORIGIN: Italy

Denim Knitwear

80% recycled cotton, 15% virgin cotton, 5% other fibers
ORIGIN: Italy

Denim Sweatshirt

24% cotton recycled from old jeans, 41% cotton recycled from industrial waste, 28% organic cotton, 7% virgin cotton - **ORIGIN:** Spain

Cotton /T-SHIRTS & POLO SHIRTS

50% recycled cotton, 50% organic cotton
ORIGIN: China

Cotton / BEACH TOWELS & SHAWLS

45-60% recycled cotton, 55-40% virgin cotton - **ORIGIN:** Italy

Our new recycled materials

Light cashmere

70% recycled cashmere, 25% virgin cashmere, 5% virgin wool - **ORIGIN:** Italy

Wool

100% recycled wool
ORIGIN: Italy

Silk

100% recycled silk
ORIGIN: Italy

Light cashmere

We decided to expand our range of cashmere yarns, always produced locally in Prato, by adding this cashmere with a greater proportion of virgin fibers to our collections.

The longer fibers of the virgin yarns allowed us to create products that are finer to the touch, never exceeding our limit of using no more than 50% virgin material in our compositions.

Again, the recycled part of the composition is post-consumer which means that it comes from old recycled garments, while the virgin part is Responsible Wool Standard certified.

Wool

We introduced a new 100% recycled and single material yarn. Wool fibres, longer and stronger than cashmere fibers, make this completely circular composition possible.

The advantages linked to this yarn, which is produced locally in our textile district, lie in the possibility of being able to create knitwear products at an even more affordable price than cashmere.

This allows us to reach even those consumer groups who are hesitant to invest in sustainable fashion. Increasing our chances of raising environmental and social awareness about ethical clothing, overproduction, and environmental protection among people outside our market niche.

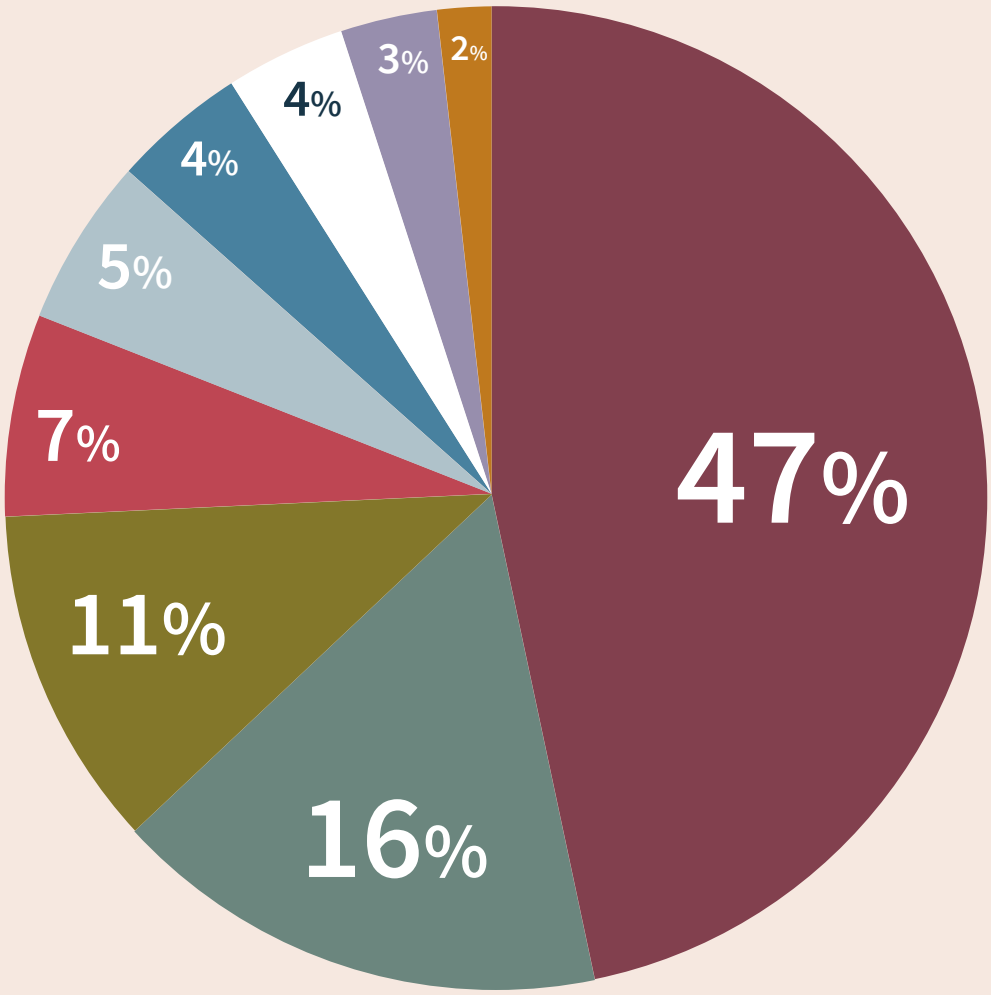
Silk

This yarn produced in Italy, in the Como area, was an excellent success for Rifò in 2022.

We decided to use a brand new 100% recycled material, choosing to reduce its impacts even more as it was purchased at its raw color, which therefore did not require re-dyeing.

This silk yarn is also cruelty-free since it is recycled from pre-consumer industrial scraps that would have been disposed of. In addition, no silkworms were killed to create this yarn.

Our materials



- Recycled cashmere
- Light Cashmere
- Recycled wool
- Wool cloth
- Recycled denim /sweatshirt
- Recycled denim /knitwear
- Recycled silk
- Recycled cotton /t-shirts/polos
- Recycled cotton /beach towels/shawls

Geographical origin

Compared to 2021, we increased the number of Italian-sourced yarns (from 76% to 78%), consistent with our ongoing commitment to enhance our local area and traditions.

In fact, in 2022, we introduced three new 100% recycled Italian-sourced yarns to expand our knitwear product offering: wool, light cashmere and silk.

The recycled cotton we used for our t-shirts is the only material we can't find through a local supply chain. For this reason we had to rely on a Spanish supplier who redistributes a yarn produced outside Europe. Last year this yarn was made in the USA while this year it has a Chinese origin.
It is our current goal for 2024 to find alternative solutions close to our productions and which are focused on transparency.

Italy

-Recycled cashmere

-Recycled denim /knitwear

-Recycled cotton /beach towels, shawls

-Recycled wool

-Recycled silk

-Wool cloth

78%

Spain

-Recycled denim /sweatshirt

11%

China

-Recycled cotton /t-shirts, polo shirts

11%

Post-consumer yarns geographical origin

Where do post-consumer scrap materials used to produce the recycled yarns we use come from?

South Europe

RECYCLED DENIM

North America (US & Canada)

RECYCLED WOOL
& CASHMERE

Pre-consumer VS Post-consumer

If a recycled yarn is made from old garments, it is called ***Post-consumer***, while, if it's made from industrial leftovers and scraps, we call it ***Pre-consumer.***

PRE-CONSUMER

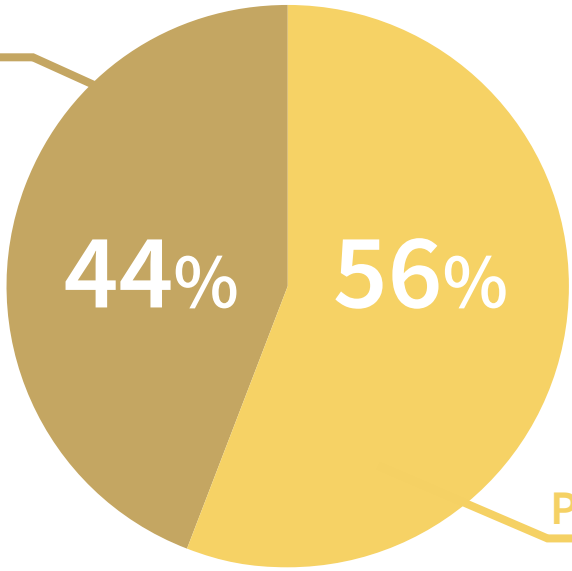
-Recycled cotton
/beach towels, shawls

-Recycled jeans
/sweatshirt

-Recycled wool

-Recycled silk

-Wool cloth



POST-CONSUMER*

-Recycled cashmere

-Recycled jeans
/knitwear

***In 2022, for the first time, we concretely contributed to the recycling of the post-consumer content in our collections with the first production of recycled denim yarn from old jeans collected through Re-Think Your Jeans.**

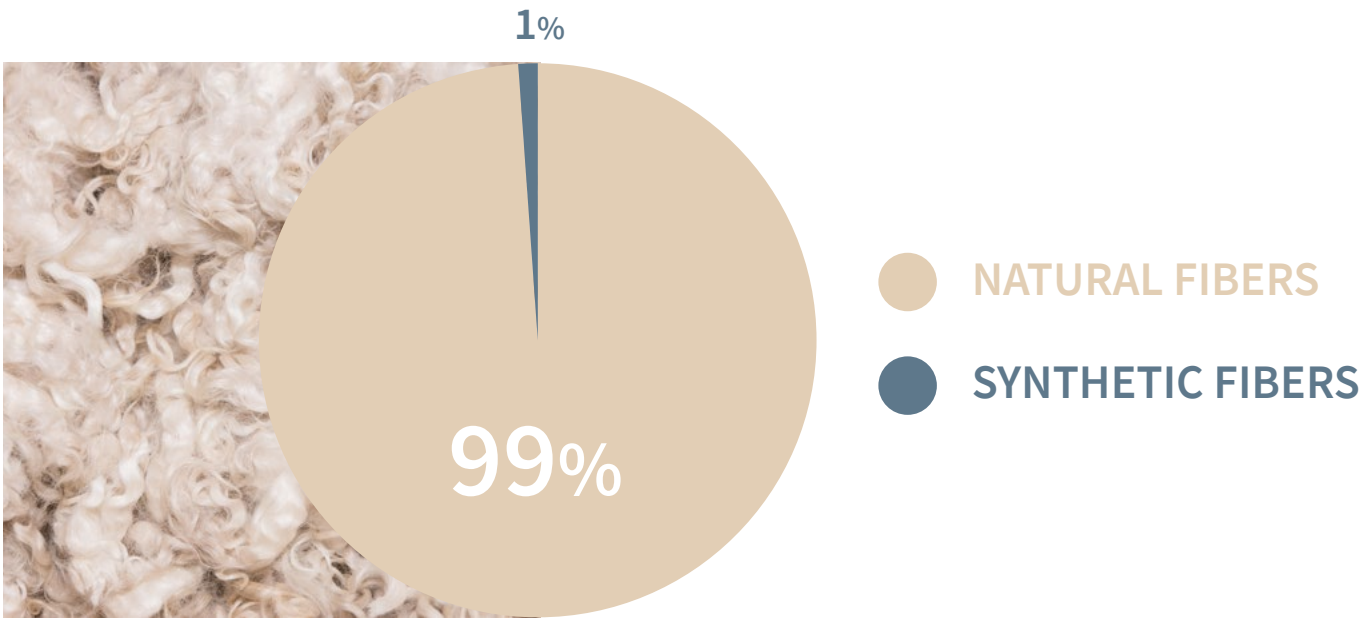
Natural fabrics VS synthetic fabrics

All fibers can be classified as either natural or synthetic. Natural fibers are plants and animals based, while synthetic fibers originate from different polymers obtained through chemical synthesis.

Natural fibers usually have a smaller environmental impact than synthetic fibers, commonly created through the indirect synthesis of petroleum derivatives. The large-scale textile industry produces them as cheaper and easier mass-produced alternatives to natural fibers.

Natural fibers, unlike synthetic ones, have the advantage of being biodegradable. This minimizes their impact even at the end of their life.

For these reasons we are truly committed to reduce the use of synthetic fibers as much as possible. In fact, our production is almost entirely done with natural fibers. The only exception is the recycled wool cloth used for Rifò coats. In this case, a very small amount of recycled polyamide is necessary to create this recycled product. Despite that, it is our intention to search for a 100% recycled wool cloth.

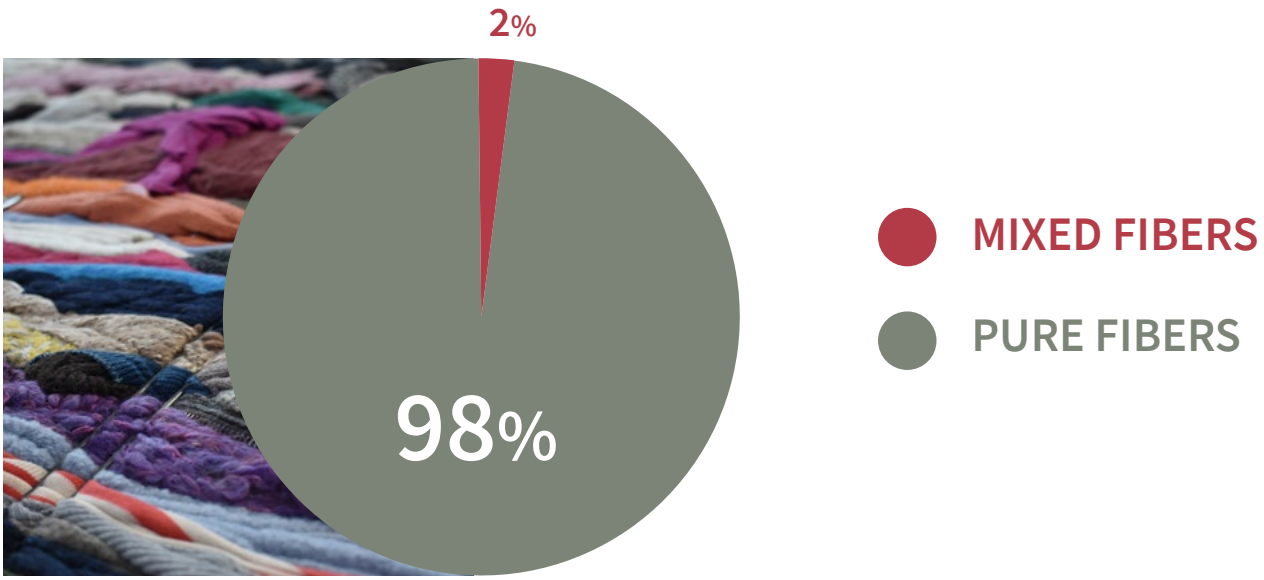


Pure VS mixed fiber compositions

Almost all our garment production is made of pure fabrics.

A fabric is defined as pure if it contains a single material in its composition.
Our t-shirt made of 50% recycled cotton and 50% organic cotton, for example, has a pure composition, just as our light cashmere, made of 70% virgin cashmere and 30% recycled cashmere.

Mixed fabrics, instead, tend to be a mixture of at least two different types of fibers. For example, our recycled wool cloth is the only garment with a mixed composition in our current production, made of 62% recycled wool and 38% recycled polyamide.



Our certifications

The yarns used in our production are in line with international standards such as Global Recycled Standard, Oeko-Tex, and RWS Responsible Wood Standard. We strive to select materials based on their ability to ensure safety and production standards. In certain cases, such as with recycled silk, this is not possible. When this happens we try to encourage our producers to obtain certifications and conduct reliable impact studies.

Global Recycled Standard

GRS is maybe the most important certification for the textile circular economy sector.
It is a certification promoted by Textile Exchange for recycled textiles and products made from recycled materials. GRS verifies the recycled content in products and certifiescompanies' commitment to comply with environmental and social criteria throughout the supply chain. This standard recognizes the importance of recycling by encouraging higher proportions of recycled content in products. it also aims at promoting sustainable production and consumption patterns.

OEKO-TEX is an international control and certification system for raw materials, semi-finished and finished products in the textile industry.
The aspects taken into account by this standard are the following:

- Important legal regulations on dyes;
- Requirements of the European Chemicals Regulation;
- Requirements of the US Consumer regulations relating to the total lead content in products;
- Various substances harmful to the environment;
- This standard assures customers that they are buying a safe and sustainable product.

Responsible Wool Standard (RWS) is a certification promoted by Textile Exchange, intended to recognize the best practices of farmers for wool production. Specifically, it is meant to:

- Give the industry a tool to recognize farming best practices;
- Make sure that wool comes from farms that take a progressive approach to land management and respect animal welfare;
- Ensure a strong chain of custody for certified materials as they move along the supply chain.

In our case, the RWS certification attests that virgin wool - which is used in variable percentagesin our recycled cashmere yarns to make them more resistant - is not produced through the technique of mulesing. The latter is a surgical procedure that consists in the removal of part of the sheep's anal and perianal tissue, particularly Merinos, in order to avoid infections due to the proliferation of bacteria in the delicate anatomical part of the animal.

The Recycled Claim Standard (RCS) certification verifies the presence and quantity of recycled material in the finished product through third-party verification of the production process. The RCS standard ensures a transparent and consistentverification of the recycled content of products, both intermediate and finished, maintaining traceability throughout the entire production process. This comprehensive assessment covers all the stages of the manufacturing process, starting from the recycling stage and ending with the labeling of the finished product.

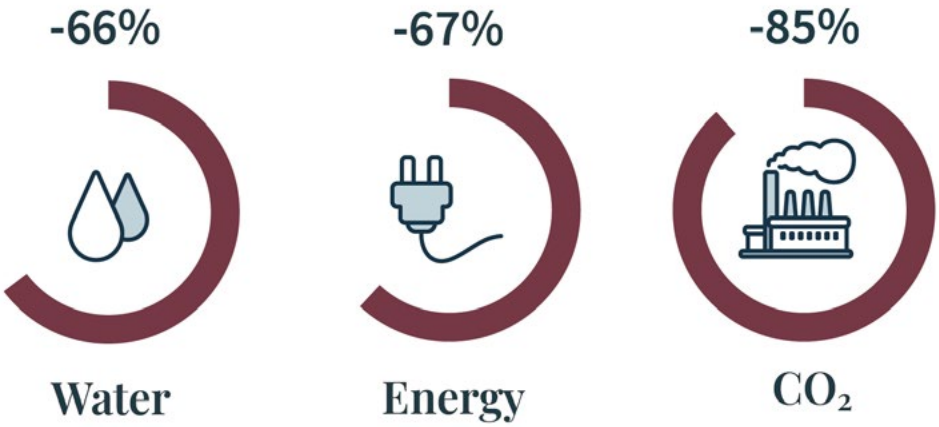
The Better Cotton Initiative (BCI) certification attests that the cotton we use to make our t-shirts and polos was grown using crop protection practices. BCI is the world's largest non-profit organization aiming to establish a globally valid standard to ensure more sustainable cotton cultivation, this goal is achieved by educating participating farmers to implement more environmentally, socially, and economically sustainable production practices. This means not only using water more efficiently and minimizing the use of chemicals and pesticides but also improving the living conditions and economic development of cotton farmers.

CERTIFICATIONS:	Global Recycled Standard	RWS	Recycled Claim Standard	OEKO-TEX Standard 100	better cotton
Cashmere & Light Cashmere	✓	✓			
Wool Cloth	✓				
Denim Knitwear			✓		
Denim Sweatshirt	✓			✓	
Cotton (t-shirts & polo shirts)	✓			✓	✓
Cotton (beach towels & shawls)	✓			✓	
Wool	✓	✓			
Silk	✓				

1.4 Environmental impact

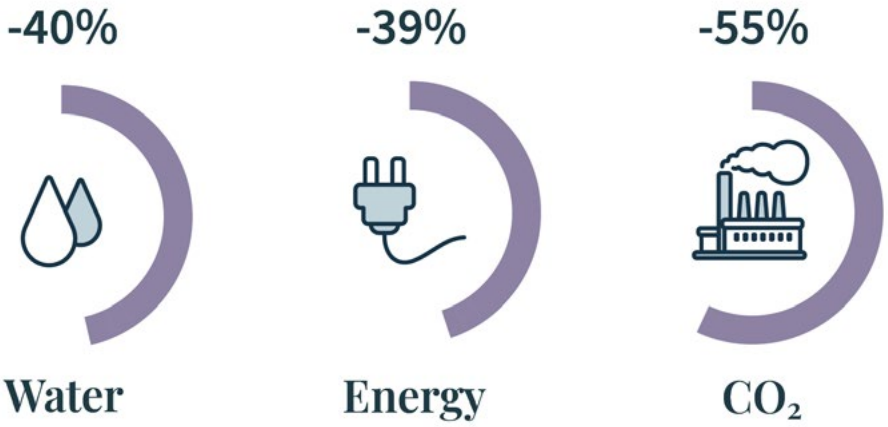
LCA of our Recycled Cashmere

Recycled cashmere is the fiber we use the most in our production. Recycling old wool and cashmere sweaters has enormous benefits in terms of sustainability and environmental impact. Compared to the production of cashmere sweaters from virgin fibers, producing a recycled cashmere sweater allows us to save:



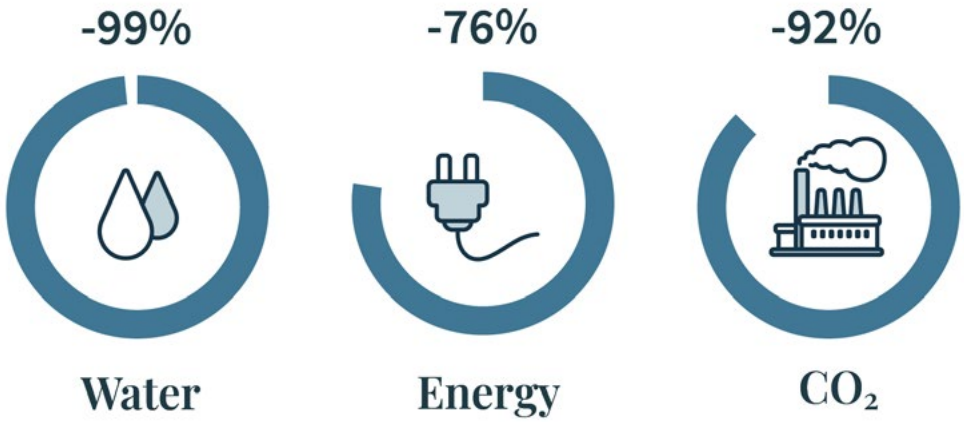
LCA of our Recycled Light Cashmere

Light cashmere contains 25% of virgin fibers, which slightly increase its environmental impact in terms of energy and water consumption. In any case, the savings remain high and the garment durability is further increased by the virgin content, which increases resistance. Compared to the production of light cashmere sweaters entirely made with virgin fibers, producing a recycled light cashmere sweater allows us to save:



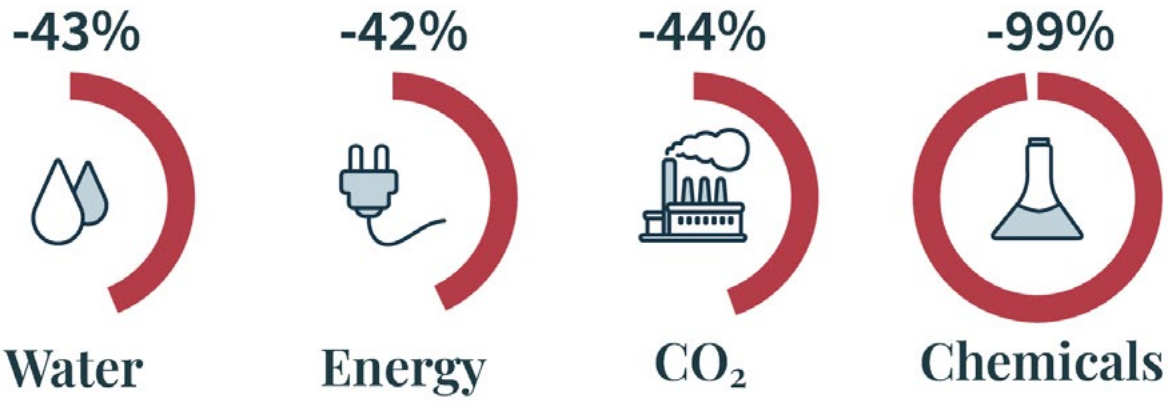
LCA of our Recycled Wool

In the case of recycled wool (again post consumer) the savings are significantly high, especially those related to water consumption. Since this is a completely recycled yarn, not a single drop of water was spent on-dyeing.



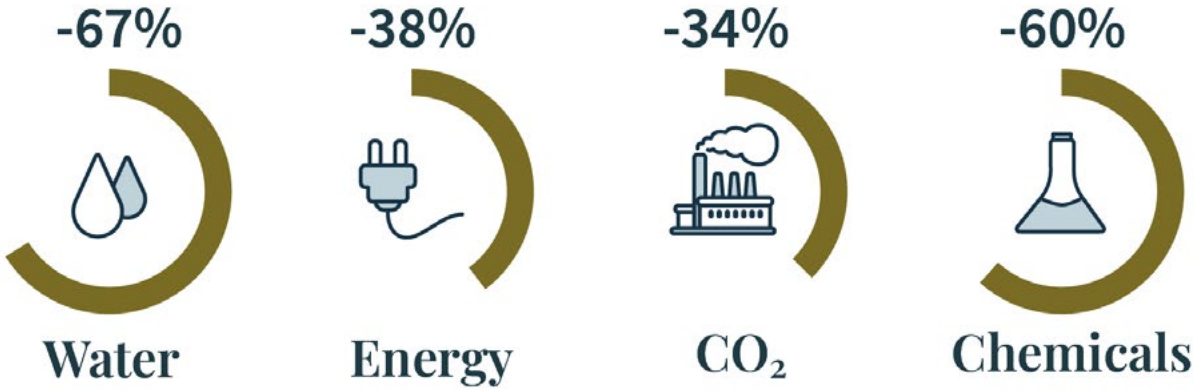
LCA of our Recycled Cotton /T-SHIRTS & POLO SHIRTS

After cashmere and denim, recycled cotton is the third most used fiber in our production. In particular, our yarn composed of 50% recycled cotton (from pre-consumer industrial cotton scraps) and 50% organic cotton allows us to significantly reduce the amount of water and chemicals used in production, differently from virgin cotton, organic cotton is grown organic cotton is grown in an environmentally friendly way, without pesticides and soil depletion, making it more productive while using less water.



LCA of our Recycled Cotton /BEACH TOWELS & SHAWLS

The yarn we use to make beach towels and shawls is composed of about 60% recycled cotton (from pre-consumer industrial cotton waste) and 40% virgin cotton. This allows us to achieve significant environmental savings compared to the production of similar 100% virgin cotton products.



The source of the data reported in the previous pages comes from verified LCA studies. For cotton, the study was conducted by the Aitex textile research institute, while for wool and cashmere by Process Factory (4sustainability®).

Our concrete commitment

02.

In this chapter, we did not only collect our values and distinctive traits, but also the concrete impacts that our actions had during 2022.

2.1 Virgin and recycled fibers: innovating production processes
2.2 Circular Economy: producing sustainable garments
2.3 Fighting overproduction
2.4 Our Social impact
2.5 Company growth: promoting gender equality and welfare
2.6 Local economy and textile tradition

Goals	Actions	Impacts	KPI
Innovating production processes	Using mostly recycled fibers in our production	Reducing raw materials consumption in our textile production	Percentage of fibers recycled on the total amount of fibers used in our production
Producing sustainable garments	Old garments collection services	Reducing significantly environmental impacts	Percentage of cashmere/wool and jeans collected on the total amount of cashmere/wool and denim yarns used in our production
Creating job opportunities for people in a vulnerable situation	The goal of “Nei nostri panni” project is to create new job opportunities for vulnerable people and migrants, through paid internships and training aimed to their future integration in local textile production entities.	In 2026 about 100 people in a vulnerable situation and migrants would have joined our integration program	Number of job and integration opportunities created for people in a vulnerable situation and migrants
Promoting gender equality	Improving women’s employment on permanent contracts	Rifò Team mainly consists of women	Percentage of women in our team
Increasing the number of local artisans involved in our circular economy project	Maintaining the production of recycled yarns and garments within 30km of our office in the textile district of Prato	Creating job opportunities for our territory and involving local artisans in the circular economy process	Number of local artisans involved in our circular economy projects

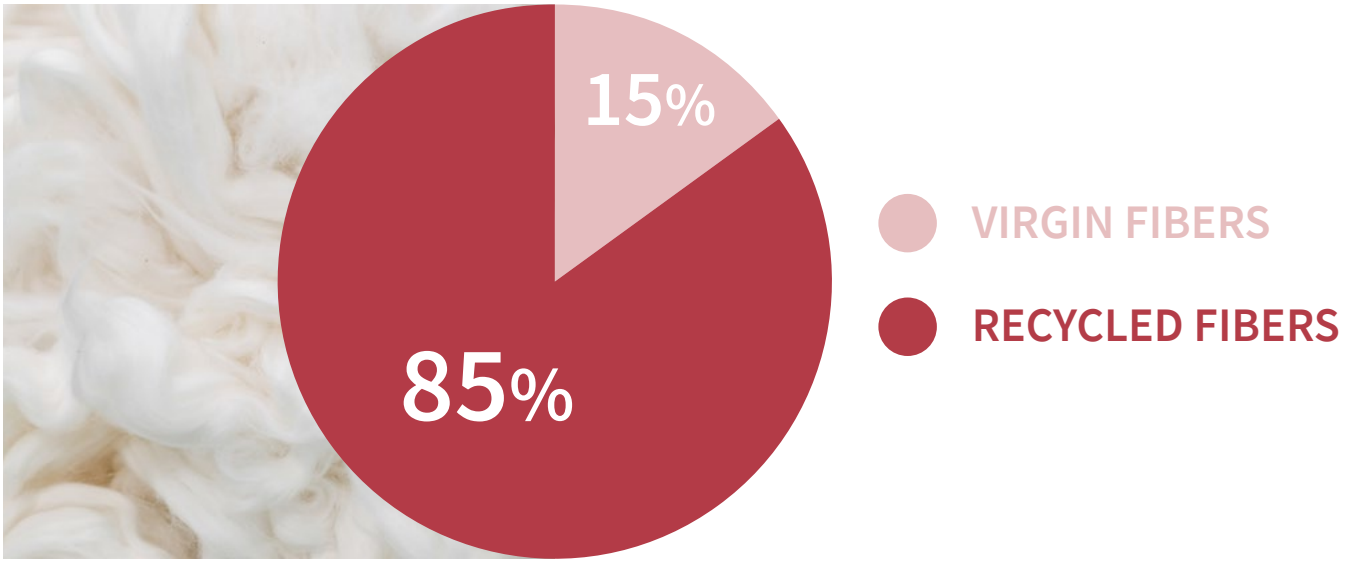
2.1 Virgin and recycled fibers: innovating production processes

The yarns from recycled materials have shorter fibers compared to virgin ones. This is the reason why their composition, in some cases, must be strengthened with a small percentage of natural or synthetic fibers to make it more resistant.

Percentage of recycled fibers used in our 2022 total production: 85% equivalent to 13,8 tons of recycled material

Among our virgin fibers, 35% is organic cotton, which has a significantly lower environmental impact than virgin cotton since it is grown using methods that optimize water resources and avoid soil depletion.

Our goal is to increase the volume and variety of our production in the coming years, while keeping the percentage of recycled fibers in our production roughly constant.



Pre-consumer VS Post-consumer

More than half of the recycled materials we used for our 2022 production came from post-consumer sources, which means old garments used by people and then collected by specialized and authorized organizations.

The remaining recycled materials used in our production come from pre-consumer sources. The latter are, industrial scraps from different phases of the manufacturing process. Instead of being thrown away, they are given a new life in the recycling process.

Post-consumer
56%

-Cashmere & Light cashmere
-Jeans knitwear
-Jeans sweatshirt
-Wool

Pre-consumer
44%

-Cotton /beach towels & shawls
-Silk
-Cotton /polo shirts & t-shirts
-Wool cloth

By purchasing recycled yarns, we encourage the transition towards a circular economy in the textile and fashion sector. The textiles recycled in order to produce our yarns correspond to the following amount of old garments:

Recycled cashmere
7.7 TONS

= 22 700 OLD SWEATERS

Recycled cotton
1.8 TONS

= 18 000 COTTON T-SHIRTS

Recycled denim
2.3 TONS

= 3 860 OLD JEANS

Recycled wool
1.3 TONS

= 4 330 OLD SWEATERS

Recycled silk
644 KG

= 4 300 SILK SHIRTS

2.2 Circular Economy: producing sustainable garments

OUR CIRCULAR SERVICES

We have always wanted to involve people in the circular economy, because we consider ourselves a collaborative circular economy project as well as a clothing brand. This is the reason why we have created circular services for the collection of old wool, cashmere and jeans garments. These take-back programs allow individuals to concretely contribute to the circular economy, with the certainty of transparent and traceable supply chains through which garments are reused and recycled. This is possible thanks to the contribute of all the partners involved, including the social cooperative *La Fraternità* for the first selection and sanitization, *Pinori Filati* and *Filpucci* for the production ofnew recycled yarns. People receive a discount code that they can spend on our online shop as a reward for their participation. In 2022, the amount of old garments collected and transformed into new yarns significantly increased compared to 2021. This is thanks to the constant presence of *NaturaSì* stores in the territory with denim collection points through *Re-Think Your Jeans*, and also thanks to the involvement in collection projects of 70 Rifò retailers in Italy and abroad and the 23 B-Corp stores that adopted the box as a corporate initiative for employees. These two circular services allowed us to collect:

+ 69%
COMPARED TO 2021

+ 76%
COMPARED TO 2021

CONTRIBUISCI ANCHE TU
A UN PROGETTO DI
ECONOMIA CIRCOLARE

Once
Then
Now

In July 2022, ***Re-Think Your Jeans***, our circular economy project for the collection of old jeans, was extended to some companiesas a corporate initiative to be proposed to employees.
Most of these companies are, like us, B-Corp certified, in recognition of their commitment to concretely sustainable actions from an environmental and social point of view.

Following the principles of the circular economy means striving to keep garments at their highest value throughout their life cycle.

For this reason, our goal for 2023 is to **prioritize reuse over recycling** of the old garments collected through our circular services, in collaboration with the social cooperative La Fraternità.

In addition to NaturaSì stores and company offices, the collection of old jeans took place also in 4 Muji stores and 38 Nuvolari shops.

naturasi

MUJI 無印良品

NUVOLARI

27 775
PAIRS OF OLD JEANS COLLECTED

110
COLLECTION POINTS

1 666
KILOGRAMS

On the other hand, the wool and cashmere collection is carried out by the Rifò retailers who decided to join the project and other entities interested in offering this circular service to their community, for a total of 60 collection points all over Italy.

Given the high demand and interest in this service, in 2022 we extended the project to our retailers in Germany and Austria as well, thus adding 10 new collection points.

1 097
OLD WOOL/CASHMERE SWEATERS COLLECTED

70
COLLECTION POINTS
/ **60** IN ITALY + **10** ABROAD

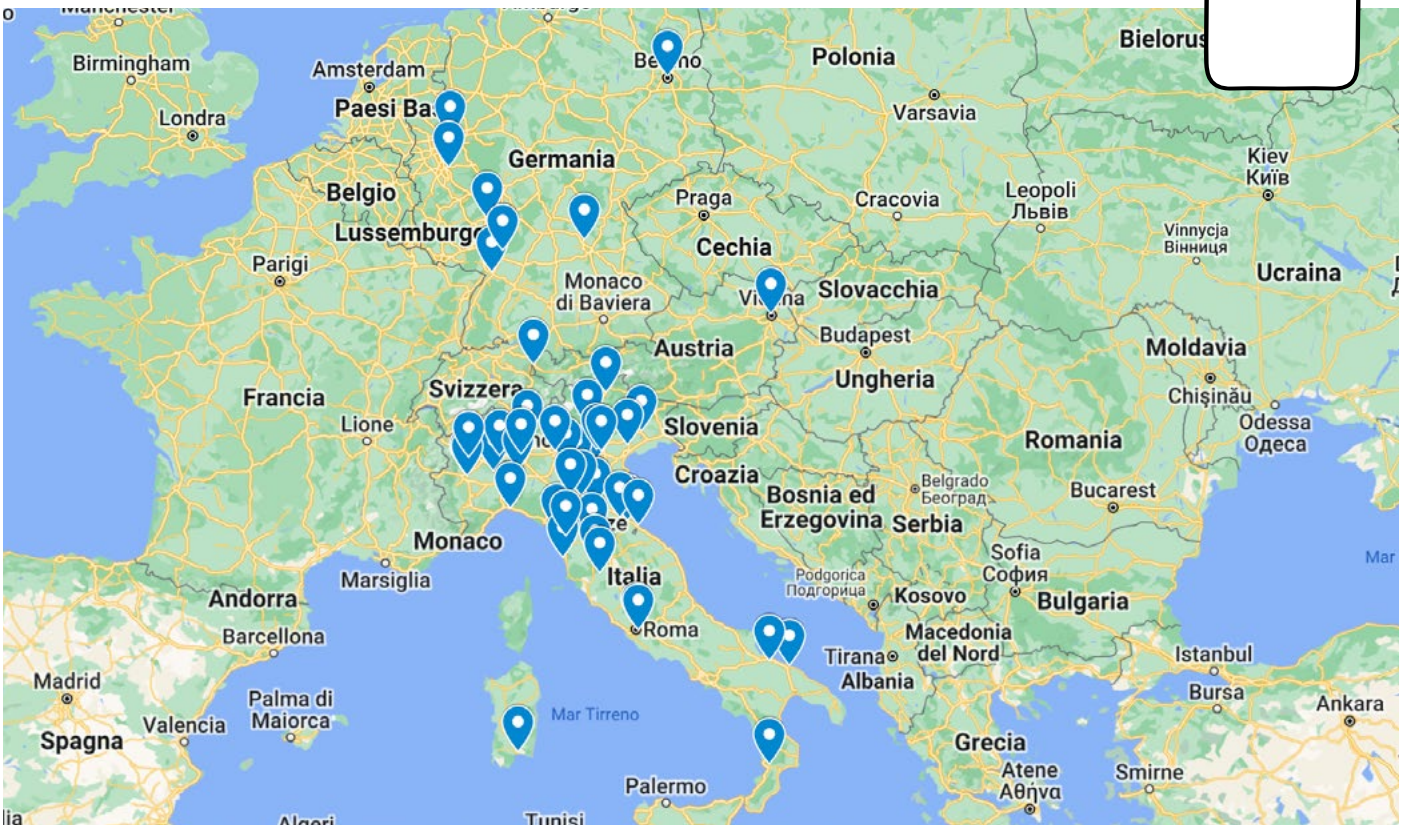
329
KILOGRAMS

Inserisci qui i tuoi vecchi jeans almeno 95% cotone e verranno trasformati in una nuova risorsa.
In cambio riceverai un buono sconto sui prodotti Rifò: ritiralo in cassa.
naturasi
Rifò
recooper

Re-think your jeans collection points:

Map available here

Wool and Cashmere collection points:



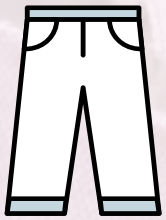
Map available here

Last year we set the goal to collect a target number of old garments that would symbolically allow us to cover part of the post-consumer recycled content in our yarns. We aim to use recycled materials as well as to ensure that existing textile materials are put back into circulation.

GOALS SET FOR 2022

Although the amount of yarn used in the production of the 2022 AW and SS collections increased, the overall percentage of recycled materials (wool, cashmere, jeans) directly collected through our circular services increased compared to 2021 (from 10% to 14%).

Percentage of recycled materials directly collected through our circular services:

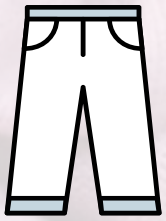


60%
JEANS

10%
WOOL & CASHMERE

RESULTS OBTAINED IN 2022

Percentage of recycled materials directly collected through our circular services:



63%
JEANS

4%
WOOL & CASHMERE

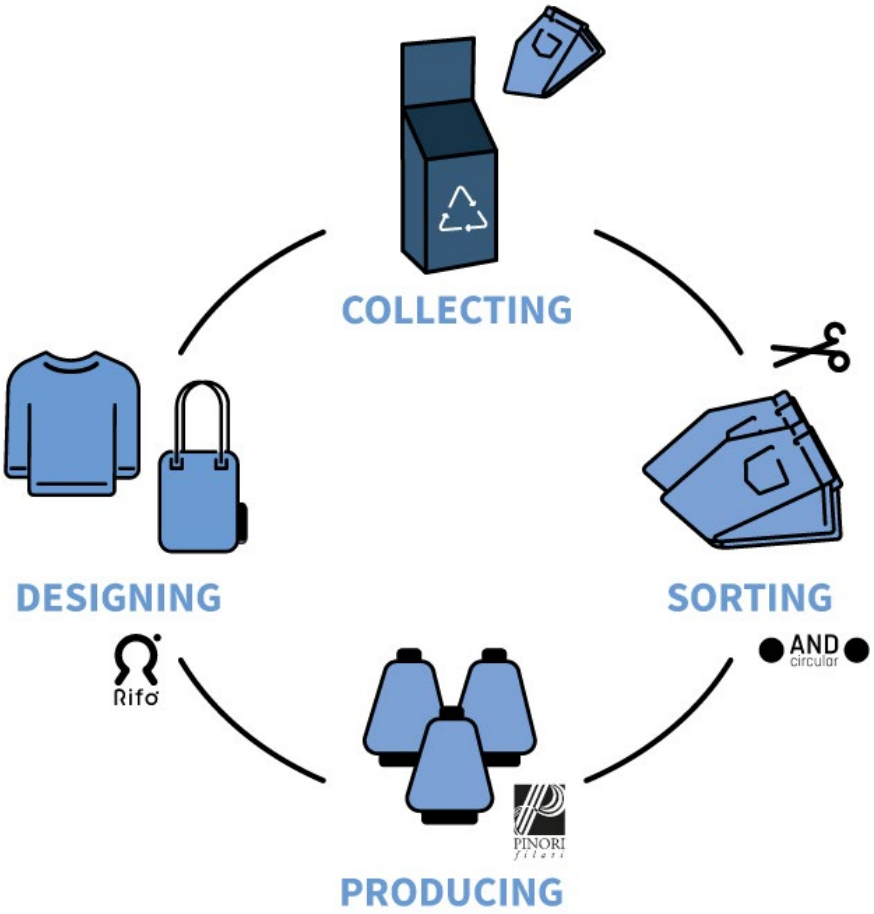
In 2022, we exceeded by 3% the goal set for the collection of old jeans to be reused and recycled through our circular supply chains.

G R S
POST CONSUMER CASHMERE 100 %

Denim

Our long-term goal for the collection of old jeans is to become self-sufficient in the supply of the secondary raw material needed for our production by 2026.

In this regard, in 2022 we took one more step toward this goal, contributing for the first time to the production of the recycled denim yarn we use to make our collections.



Since the beginning of our Re-Think Your Jeans project, we have collaborated with a local supplier who is highly specialized in recycling old jeans. This mechanical process requires a minimum quantity of 5 tons of old garments to be recycled. When 1 ton of old jeans was collected, they were destined for the recycling process, thus contributing to the supply of the production of our recycled denim yarn.

In December 2022 the first yarn production with the contribution of the old jeans collected through our concrete, circular and transparent circular services was then carried out.

Wool and cashmere

We increased the percentage of wool and cashmere directly collected out of the total amount of recycled materials used in our productionfrom 3% to 4% compared to 2021. However, we were not able to reach our target of 10%. In fact, the goal we set for ourselves is really challenging, considering that:

- It is increasingly difficult to find old wool and cashmere garments with pure composition to recycle;
- It is increasingly rare to find old garments people want to dispose made of valuable and durable materials like wool and cashmere.
- Cashmere and wool account for 50% of our total production, as these materials areat the core of our collections and are linked to the textile tradition of our district.

For these reasons, we decided to consider a single aggregate indicator to assess our overall level of self-sufficiency in the supply of secondary raw materials. In 2022, 14% of the recycled yarns we used for our production came from the recycling of old garments directly collected through our circular services.

2021	1 173 Kg WOOL, CASHMERE & DENIM COLLECTED	12 044 Kg RECYCLED YARN USED FOR OUR PRODUCTION	=10%
2022	1995 Kg WOOL, CASHMERE & DENIM COLLECTED	13 922 Kg RECYCLED YARN USED FOR OUR PRODUCTION	=14%

2023/24/25 GOALS

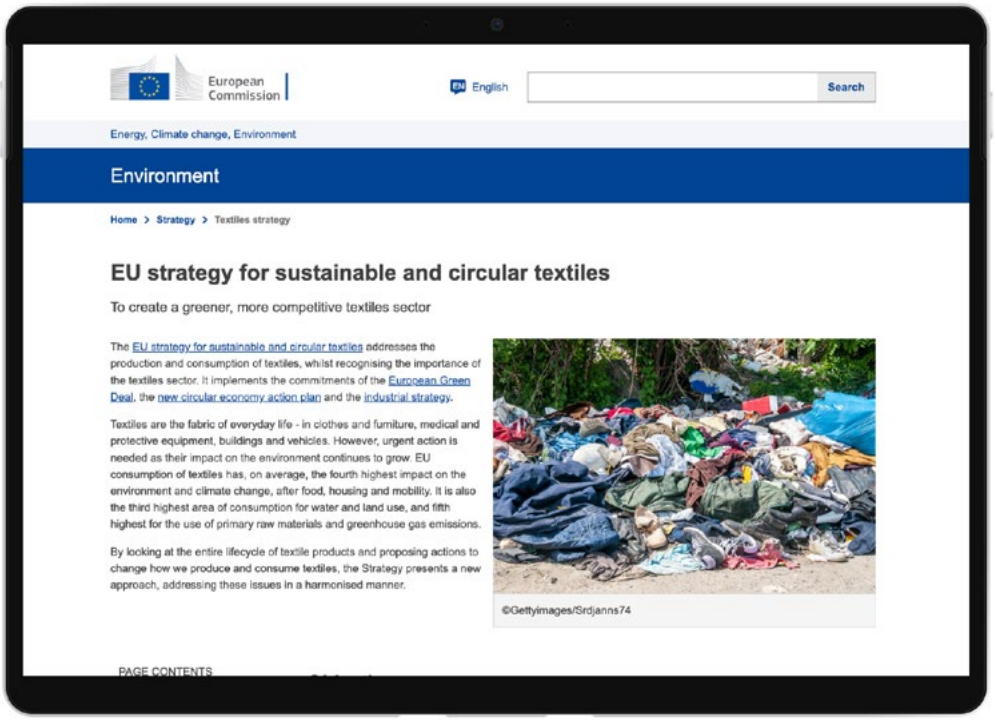
=16-18-20%

Being in line with EPR and EU Strategy for Sustainable and Circular Textiles

In March 2022, the European Commission formalized the **European Strategy for Sustainable and Circular Textiles** to start the transition of the textile and clothing industry to a circular economy. This strategy includes a series of actions to be implemented to move towards sustainable development, including:

- Adopting **eco-design principles** that make textile products on the market more durable and easier to be repaired and recycled;
- Fighting "greenwashing" claims to certify the accuracy of companies' eco-declarations;
- Introducing the **Extended Producer Responsibility (EPR)** to discourage overproduction, overconsumption, and disposal of returned or unsold products.

  EPR assigns producers the responsibility for managing the life cycle of the textile products they placed on the market, including the associated economic and operational burdens related to textile waste management.



We have always challenged ourselves to implement circular projects.

We use recycled materials and applied eco-design principles to our garment design, but we felt that this alone was not significant enough. Thanks to our core business, we were able to anticipate the major changes currently underway from a regulatory perspective in the circular economy. This is happening with the ***European EPR regulation***, which establishes Extended Producer Responsibility for products' end-of-life, to contribute to protecting the environment and human health, encouraging sustainable production and consumption methods, reducing waste, and promoting the recovery of secondary raw materials.

Our FOREVER SERVICE offers Rifò customers the opportunity to send us their Rifò sweaters after at least 2 years of use for recycling, thus predicting the potential end-of-life of our garments and making them circular. In fact, working with materials that are 98% pure composition allows us to make a recycled and recyclable garment for multiple cycles.

However, we didn't limit ourselves to collecting Rifò garments, as currently required by the new EPR regulation.
We wanted to contribute to the valorization of textile waste at a broader level, committing ourselves for more than 3 years to the collection of any old wool, cashmere or denim garment that meets the recycling requirements imposed by currently available technologies. .

This is a service for people who otherwise would not know how to dispose of their old clothes, a transparent recycling supply chain that differs from any other take-back service precisely because of the certainty of what happens to the donated garment.
To bring our circular services to life, we involved and connected a number of local partners and stakeholders, each equipped with the appropriate authorizations to manage the collected textile material.

We created these **collaborative circular economy projects** with the aim of being drivers of change in the realities around us, managing all the operational and logistical flows associated with these projects entirely at our own expense.

Levi's® collection and upcycling experiment

The hats we made in collaboration with Levi's® are an example of upcycling, the latter is a type of recycling in which an object is given a new purpose that is more valuable than its original purpose.

From December 2021 until April 2022, 120 jeans were collected from the customers of the Levi's store in Via Orefici, in Milan. These jeans were then cut and reassembled through the patchwork technique to make our bucket hats.The Florence-based social tailoring cooperative Flo Concept was involved in their creation.

The upcycling process involves creative craftsmanship, aimed at creating a product that is unique for its constituent materials but at the same time not repliclable on industrial scale.

The energy and resources used in the upcycling process come only from the garment making, unlike textile recycling which also involves energy consumption for the the raw material production.

Upcycling Levi's® production

ADVANTAGES OF UPCYCLING:

- Almost zero CO_2 and energy consumption;
- Inspiring a creative process focused on the characteristics of the source materials;
- Creation of a unique garment.

DISADVANTAGES OF UPCYCLING:

- Possible limitations and heterogeneity brought by the starting material(s);
- Difficulty in industrializing and scaling up the project;
- More effort required in the design phase of the production process;
- Possible presence of material scraps.

Recycled and reusable packaging

We needed to find an alternative solution to the traditional and disposable cardboard packaging for our online orders. That's the reason why we came up with the idea of creating a recycled and reusable felt bag, which we called ***Fluffypack***. It is made by recycling mixed garments and textile fibers, tested to travel and protect Rifò products from water and weather.

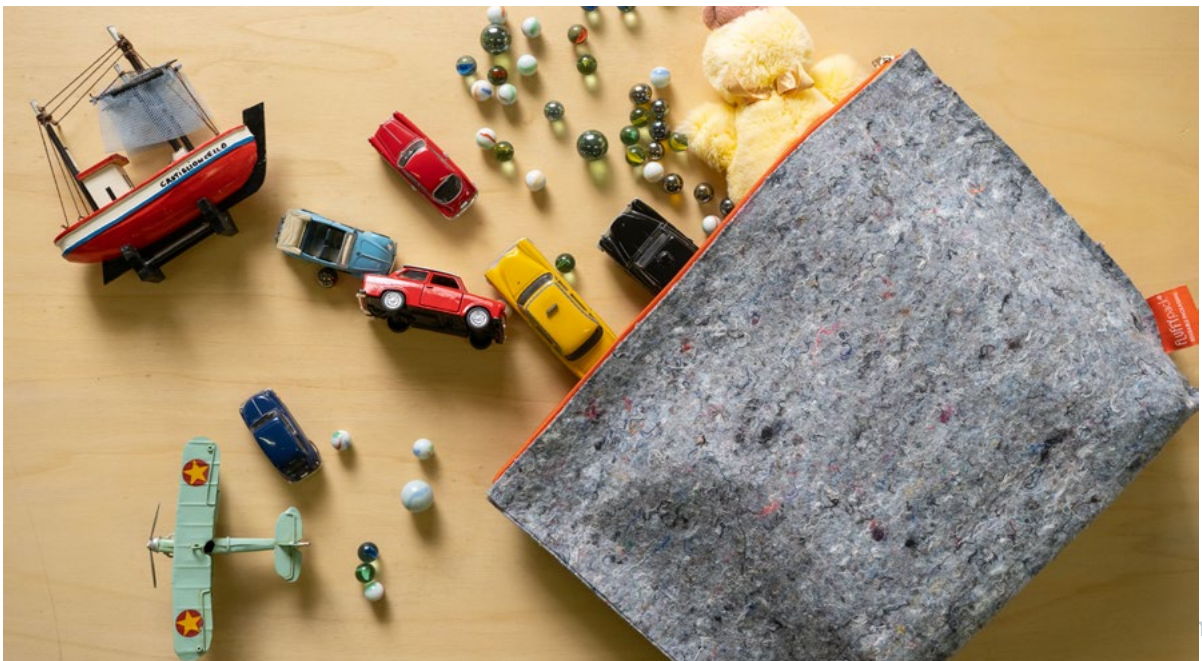
Fluffypack is produced by a local suppliers, a few kilometers away from our office, through a mechanical recycling process that does not require the use of water. This process allows to recycle even garmentswith a mixed compositioninto a new material, thus avoiding their disposal in landfills or incinerators.

The felt we use to make ***Fluffypack*** is also used in the construction and automotive industries. This is an example of an operation that can be defined as downcycling, meaning that the resulting material has a lower value than the initial one andcannot be recycled again. Our reusable packaging represents an attempt to enhance the value of felt by finding a new use for this material.

> **What makes *Fluffypack* stand out is that its life cycle does not end with shipping. Since it is made in two different sizes, it can be reused as a container to put in a suitcase, a document holder, a bag for toys, a hamper or even a maxi bag. This is what makes it a truly sustainable packaging.**

After several experiments and stress tests internally conducted,1000 pieces of ***Fluffypack*** were produced in November 2022 and then randomly shipped as packaging for our online orders.During this testing period, we collected positive feedback from our customers. For this reason, in 2023 ***Fluffypack*** will be included as a shipping option at our check out, at a symbolic cost of €2 that is the price people are willing to bear according to our survey.

DID YOU LIKE FLUFFYpack®?
WHAT DO YOU THINK ABOUT IT?
Rifo
Letter for a gentle revolution
MEET OUR TEAM!
SCAN THE QR CODE



Fulffypack has three main positive impacts on the environment:

1. It has the potential to launch a new recycling project to give birth to a new recycling project using textile scraps and old garments that that would otherwise end up in the incinerator.

2. It reduces water consumption as well as the use of electricity, chemicals and dyes during the production process

3. It is reusable, unlikely the e-commerce packaging typically used by companies.

NOV-DEC 22

We sent **750 Fluffypacks** instead of 750 recycled cardboard boxes that would have been thrown away by our customers immediately after receiving the garments contained inside.

This means that we saved **60 kg of recycled cardboard** and recycled 1125 kg of mixed fibers textile scraps.

GOALS FOR 2023

Starting from October, introducing Fluffypack as a shipping option with €2 contribution, replacing Repack.

Shipping more than **1000** recycled and reusable packagings to our customers.

GOALS FOR 2024

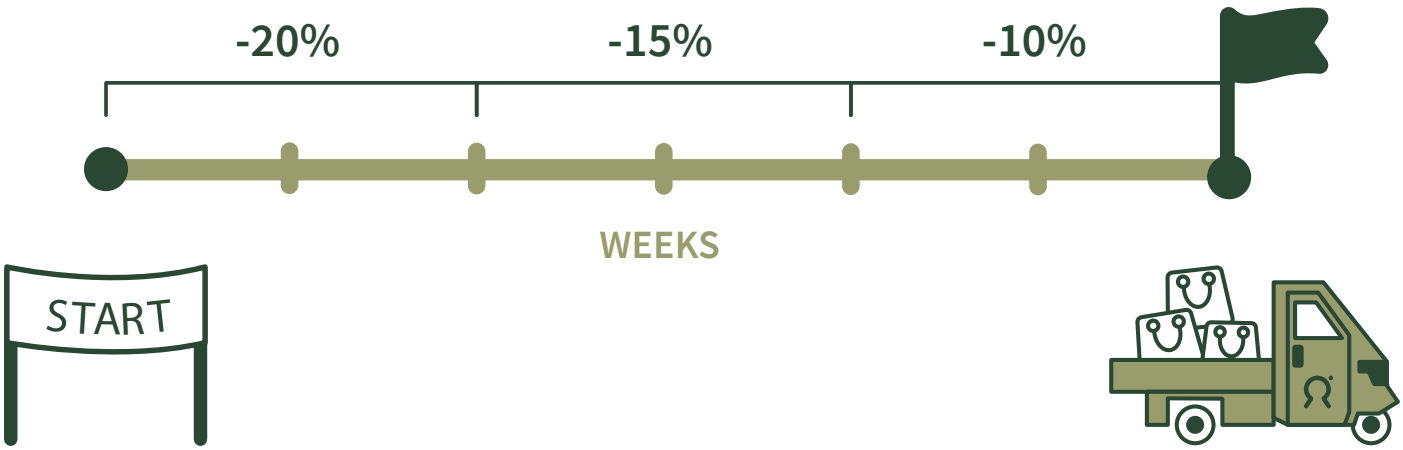
Using Fluffypack as our standard packaging to ship all our ecommerce orders.

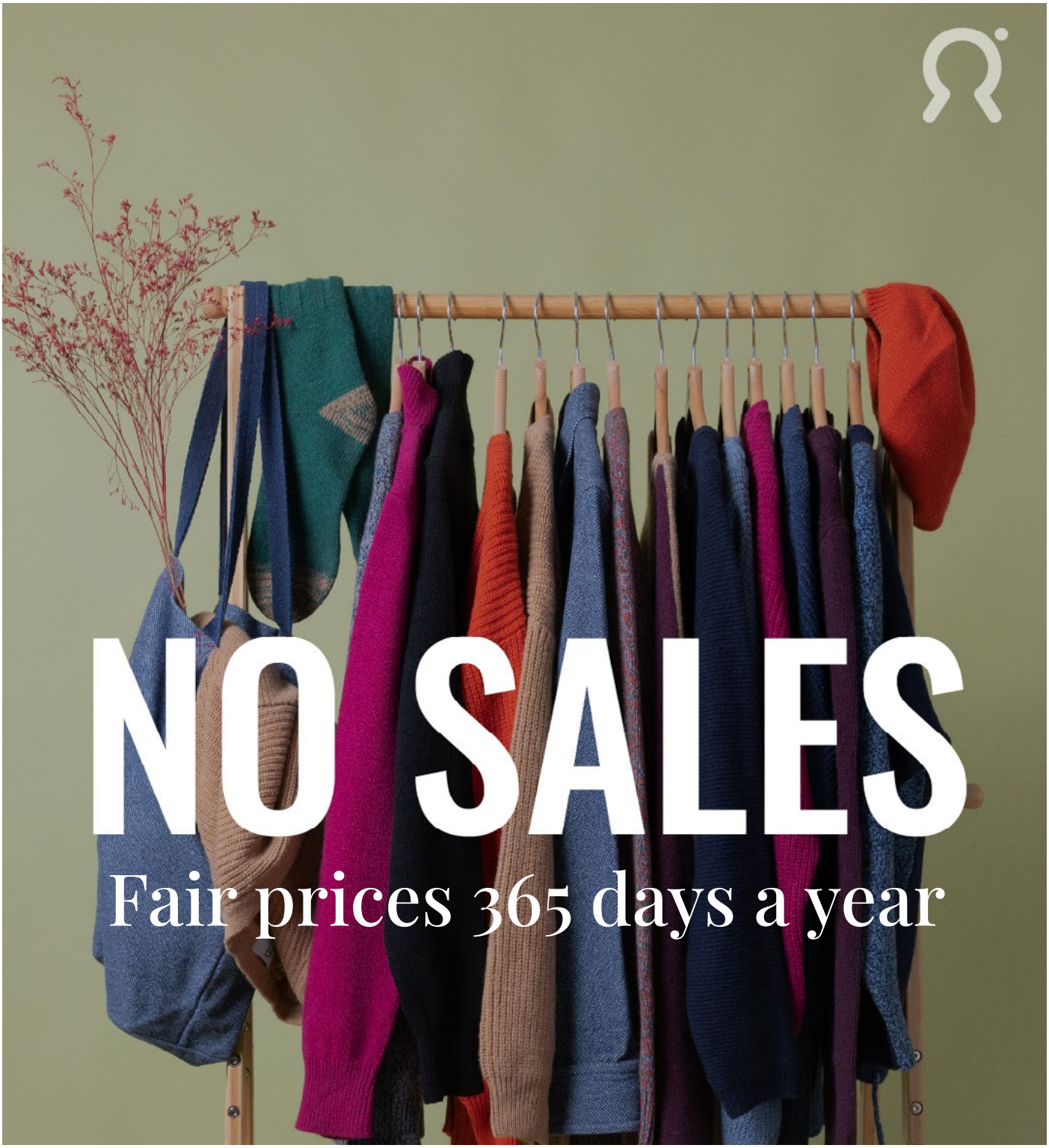
2.3 Fighting overproduction

We have always felt that circular economy and sustainability are ideals that may be attained not only by using recycled materials, but also by reducing consumption and preventing overproduction, that cannot be absorbed by textile recycling techniques. We want to raise awareness toward a reasoned consumption model. That is able to return to valuing what is truly necessary and thus deserves to have an influence on the environment for its production.

Presale model

To avoid overproduction, we test our garments both online and at trade fairs to evaluate if they could be potentially successful before placing a production order to our suppliers. The presale period lasts from 3 to 6 weeks, during which customers can pre-order our products at a discounted price, up to 20%. The closer the order is to the shipping date, the more the discount applied decreases. The pre-sale takes place before effective garment production so that we are able to produce targeted quantities that take into account the actual market demand. This is possible thanks to our proximity to the local artisans involved in the creation of our garments. The lean structure of these family artisanal businesses allows them to be flexible and adopt a collaborative approach.



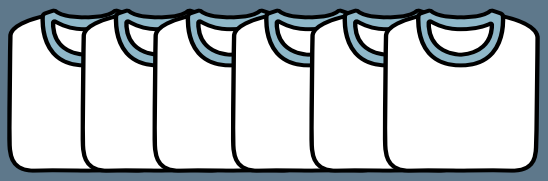


We do not participate in the out-of-control system of inflated seasonal sales and induced needs, and we oppose it with specific campaigns, for example on Black Friday. We believe that this system has led to a progressive depreciation of goods over the years. With the presale system, we want to reverse this trend. We offer a discount to people not because we overproduced, but because of the waiting time involved in only producing what is required. The goal is not to get rid of the in-stock goods, but to make the consumer an active part of the process.

In our opinion, the main indicator of overproduction is the percentage of garments that are left on the shelf:

OUR 2022 TOTAL PRODUCTION:

78 899 GARMENTS



TOTAL GARMENTS LEFT IN STOCK AT THE BEGINNING OF FEBRURARY

5 572 GARMENTS

= 7% OF TOTAL PRODUCTION LEFT IN STOCK

2021

= 13%

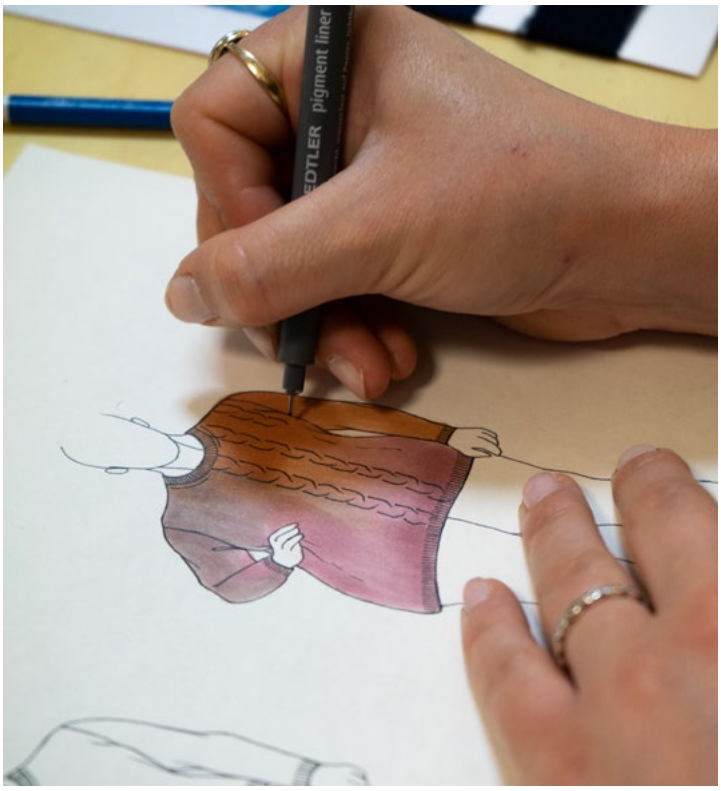
Thanks to the pre-sale system, we have **only 7% of the items produced in 2022 left in stock.** This is 6% **less than 2021** despite a **production growth of 21%.**

What will happen to these garments? Obviously they won't be thrown away. We will continue to sell them through our e-commerce, B2B channels and, possibly, using some specific third-party channels, such as *Sample Lover*, that make zero waste flash sales only with brands' samples and left in stock items.

Material	Garments produced	%
CASHMERE	40 441	51%
COTTON	17 889	23%
DENIM	10 341	13%
WOOL	9 155	12%
SILK	1 073	1%
TOT	**78 899**	

Ecodesign and garment durability

Rifò produces high-quality garments and accessories made to last overtime, both from a design and a material point of view. Fast fashion brands introduce up to 20 different collections a year. We decided to limit new creations, focusing on two collections a year, Fall/Winter and Spring/Summer.



More precisely we tend to keep the styles that people appreciated the most, and therefore are well tested, in our collections. In this way they become ongoing products that will be part of our collections for a long time.

Each year we aim to maintain more than 50% of the previous year's production to ensure Rifò garments have a life cycle longer that is longer than 1 year.

FW22 64% *of the styles confirmed from the previous year*

SS22 86% *of the styles confirmed from the previous year*

Limited editions Zero-Waste

We keep working to reduce production surplus as much as we can, that is physiological for every clothing brand.

Whenever there is a leftover yarn or fabric, we do not throw it away but instead we try to reuse it to turn it into something else.

In this way, no resource is wasted and we are able to offer garments at a convenient price as the material is practically cost-free.

Our zero-waste capsules are the result of a joint effort between imagination and the production needs of local artisans. Generally these materials are thrown away because it is easier than trying to reuse them. However, thanks to the willingness of our artisans, we are able to take on this new challenge.

We made three Zero-Waste products in 2022:

Scarf for kids

3.8 kg of yarn = 50 scarves

Beanie for kids

6 kg of yarn = 120 beanies

Two-color gloves

16 kg of yarn = 320 pairs of gloves

Social impact

Rifò has always donated a small portion of its online sales to concrete and measurable social impact projects.
For every purchase made on our e-commerce during 2022, we donated €2 to concrete projects that have a real social impact on our territory.

Considering the approximately **9000 orders** placed on our site in 2022, we raised a total of **€18,000**

€15,475 of these were donated to the *Nei Nostri Panni project*, and the remainder was distributed in smaller tranches among various actors:

- *Centro Storico Lebowski*
- The social cooperative *Flo Concept*
- *Startup For Africa*
- *Associazione Tumori Toscana - A.T.T. Onlus*

2.4 Creating new job opportunities for people in a vulnerable situation

NEI NOSTRI PANNI: COMBINING INTEGRATION AND GENERATIONAL CHANGE

In March 2022, the social impact project *Nei Nostri Panni* began. Together with several local partners and companies, we decided to create a project with concrete and measurable outcomes: a school for cenciaiolis (the textile recycling artisans who sort old rags and garments) for five people coming from the migrants local reception centers. This creates an opportunity for people to learn a craft through a paid internship and to be integrated in the society.

Nei Nostri Panni was created precisely to turn a critical situation into an opportunity. It combines the preservation of a local textile tradition for which there is less and less generational change, with an opportunity for social redemption for people in a vulnerable situation. The migrants involved in our project are housed at Fondazione Opera Santa Rita, a non-profit organization of social utility located near our office.

The craft of the cenciaiolo, born in Prato more than 100 years ago, is practised less and less. Therefore, there is a risk that this craft will be not passed on to future generations even if the textile industry is increasingly sensitive to environmental and social sustainability.

The project was held in two phases, for a total duration of 7 months (classroom training for one month and paid internship for the following 6 months).
The selected candidates underwent classroom training and obtained all the certifications needed to work in the companies, such as safety and fire protection.

Afterwards, a real on-the-job internship took place, during which apprentices learnt to recognize, sort and select old garments and textile scraps in order to be recycled.

Nei Nostri Panni was possible thanks to the synergy of the many organisations involved who believed in this project understanding the real potential of combining generational change and social integration.

Partners: those who acted as connectors and made the project possible

Financial partners: those who funded the internships

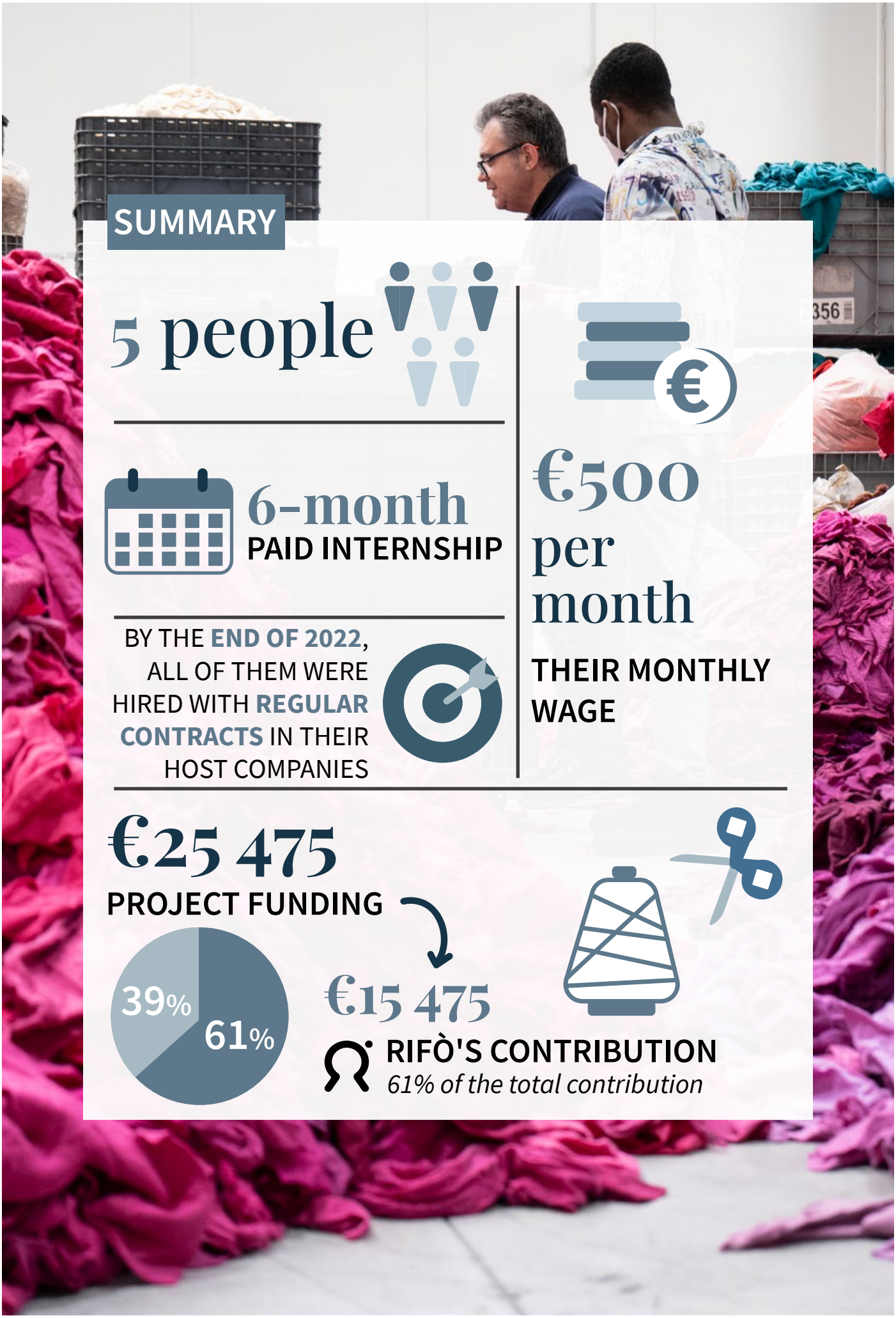
Receiving companies: the companies that were interested in hosting the trainees, with a long-term perspective of investing in human capital.

PARTNERS

FINANCIAL PARTNERS

RECEIVING COMPANIES

Nei Nostri Panni raised the attention of an international European delegation, which came to Prato in March 2022 to see the art of textile recycling and support the initiative.



SUMMARY

5 people

6-month
PAID INTERNSHIP

BY THE **END OF 2022**, ALL OF THEM WERE HIRED WITH **REGULAR CONTRACTS** IN THEIR HOST COMPANIES

€500 per month
THEIR MONTHLY WAGE

€25 475
PROJECT FUNDING

€15 475
RIFÒ'S CONTRIBUTION
61% of the total contribution

Our **goal for 2023** is to **double our budget to 30k**, which will include training opportunities in **new areas** of the textile industry, such as **spinning**.

NEXT GOALS

Our long-term goal is to train at least 10 new individuals every year, providing them with thisopportunity. In addition to this, we are working on an instructional manual: a book that brings together the basic knowledge of textile recycling that so far has been passed down only through oral tradition and hands-on experience by cenciaiolis. We think that these abilities and know-how deserve to be rocognized and promoted in other fields of knowledge.

Create new working opportunities for vulnerable people

THE SOCIAL COOPERATIVE THAT SELECTS USED CLOTHING FOR RECYCLING

Both our circular wool, cashmere and denim take-back services not only have a clear positive inmpact on the environment, but they also have an indirect social impact related to the involvement of the social cooperative *La Fraternità*. The latter is responsible for the first phase of selection and sanitization of the garments collected.
This process involves people living in fragile contexts and at risk of social exclusion, such as people with moderate to severe disabilities, who have greater autonomy and are able to carry out various activities.

La Fraternità offers companies ethical and sustainable products and services provided honestly and competently, thus creating job opportunities and ensuring the chance of a better quality of life for those who would otherwise be destined to remain on the margins. Here specific pathways are created aiming to develop the potential of each individual and enhancing their skills, focusing on eliminating the causes that hinder their development. In particular, as part of their circular economy project *AND CIRCULAR*, these individuals carry out activities to recover used clothing, resulting in a total of about 8,000 tons of waste collected annually.

THE TAILORING COOPERATIVE THAT MANUFACTURES UPCYCLED GARMENTS

As part of the collaboration carried out together with Levi's®, we created an upcycled bucket hat, realized by the sartorial cooperative Flo Concept based in Florence.

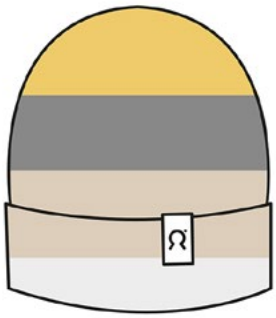
With the proceeds deriving from the processing of second-hand garments, Flo Concept was able to finance a scolarship intended for people who come from contexts of social fragility.

Funding a concrete social project for the community

SPORTS EQUIPMENT FOR THE SOCCER SCHOOL

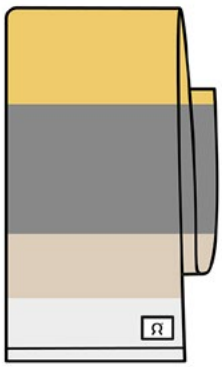
We decided to allocate part of our social impact donations to smaller projects, because we are convinced that even a tiny gesture, if concrete, can change the world. This led to the collaboration between Rifò and the *Lebowski Historic Center*.

In December 2022, we created a set of scarf and hat made of 100% recycled wool. The proceeds coming from the sales of this set were entirely dedicated to purchasing sports equipments for the *Francesco Bollo Orlando soccer school* in Florence, affiliated with the Lebowski Sports Cooperative. This is a voluntary and activism-based reality rooted in the local area, with around 1,800 members from all over the world. It involves a successful men's amateur team, a female team in third series, two 5-a-side football teams, and a free football school.



DUDE hat: € 35

10€	**Donation to Lebowski**
8,60€	Production
10€	Operational costs
6,40€	VAT



MAUDE scarf: € 55

15€	**Donation to Lebowski**
20€	Production
10€	Operational costs
10€	VAT

Centro Storico Lebowski has always been committed to social responsibility. Through its soccer school, approximately 200 participants each year have access to sports activities without incurring any expenses.

By selling the hats and scarves in collaboration with ***Lebowski***, we raised €780 for this project, which will provide around 25 soccer balls for the soccer school. The school is annually attended by over 200 children, both boys and girls.

Inclusivity

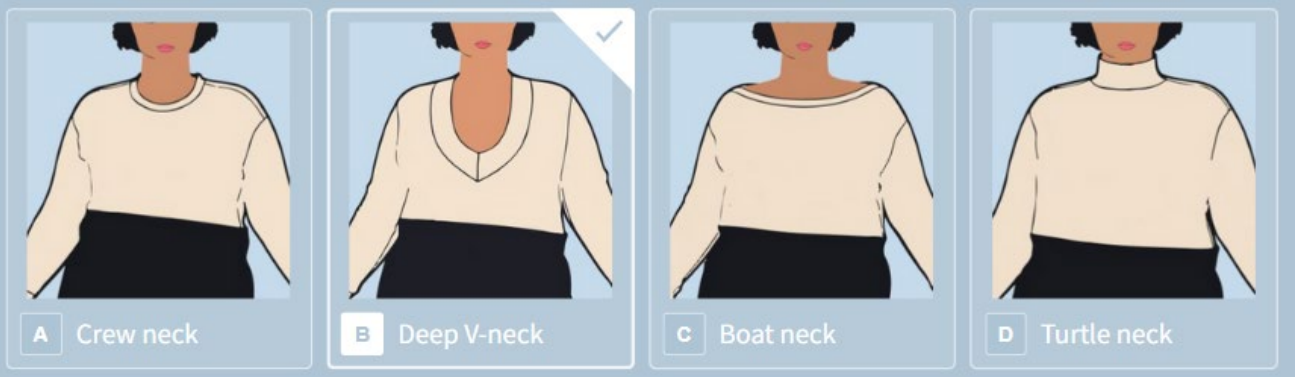
As a brand, we are increasingly convinced of one thing: sustainability and respect for the environment are deeply correlated with respect for and appreciation of people. People, their needs, and their differences are what we constantly think in each step we take. That's why we want our community to be increasingly involved and be a part of our project that combines circular economy, fashion, craftsmanship, and social values. Here are some of the actions we took to to involve our community with our brand.

CO-DESIGN

Co-design of garments through surveys that received over 700 responses in total. We asked people what they were looking for in specific garments and then incorporated their input into our F/W 22 drops. This experiment led to the creation of our capsule collections specifically designed for curvy bodies and for kids.

9 → Think about the collar. Do you prefer: *

You can choose 1 more



OK ✓

7 → What do you think about sweaters/jumpers made from wool/cashmere for the little ones? *

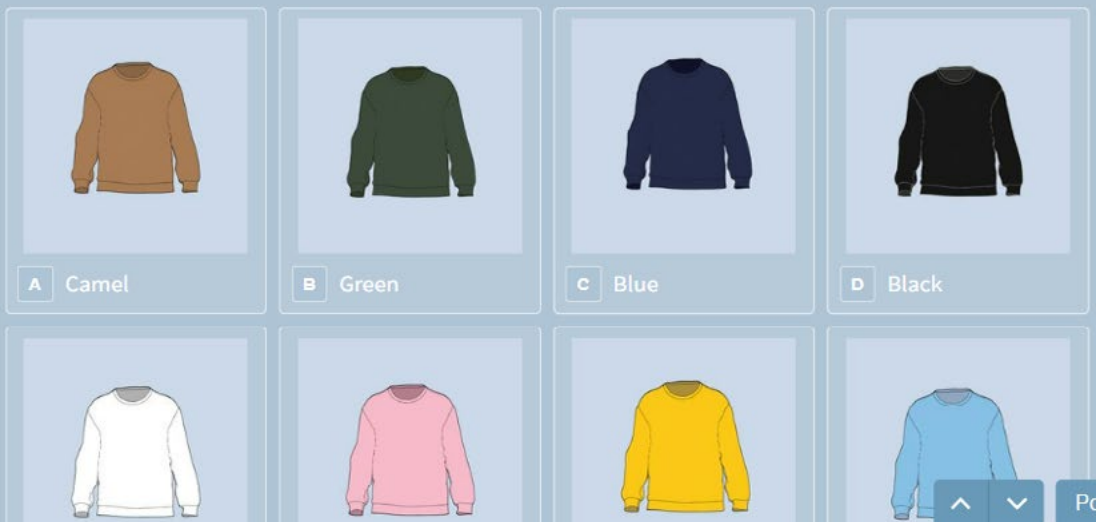
A I find them appropriate

B I do not find them appropriate

C I never thought about it

10 → Which colors would you choose for a children's sweater? *

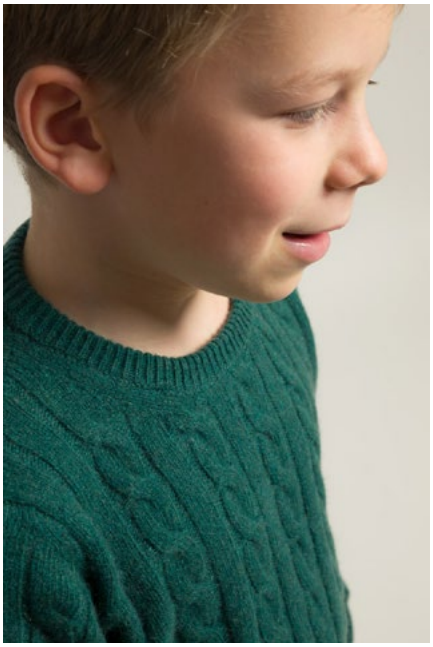
Make between 1 and 5 choices



Powered by Typeform

RIFO
LUTIONER

RIFO
LUTIONER



OPEN CASTING

One of our most ambitious goals is to communicate diversity and inclusivity, though images of bodies and faces coming from everyday life. We tried to achieve this through our Open Casting call, for which 411 people from our community applied.
We selected 25 profiles who came to visit us from all over Italy, and this was a source of great satisfaction for us.

Thanks to our Open Casting we found 7 new faces that we involved for several shootings and videos.

2.5 Company growth: gender equality and welfare

GROWTH

Over the last 3 years, Rifò has experienced a significant growth. The expansion of our team, which is mostly composed of women, well represents our growth.

EMPLOYEE INTERNSHIP COLLABORATOR

2019
6 people

2020
9 people

2021
14 people

2022
24 people

77%

In 2022, 77% of our team was made up of women

COMPOSITION

In 2021, 60% of our team was made up of women, in 2022, this number increased to 77%. We are gradually increasing the number of women in our team, and our plan is to reach the goal of 90% women in the team by 2024.

MALE STAFF **FEMALE STAFF**

2019

Average age: 30 YEARS

2020

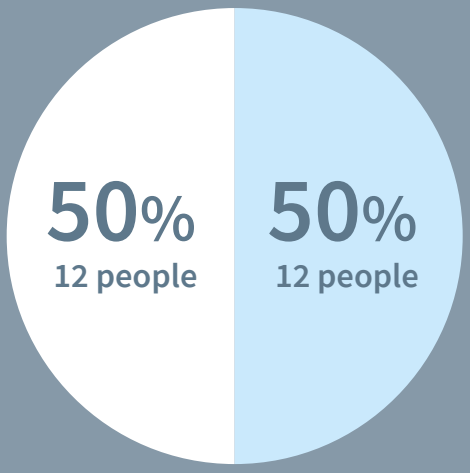
Average age: 29 YEARS

2021

Average age: 31 YEARS

2022

Average age: 29 YEARS

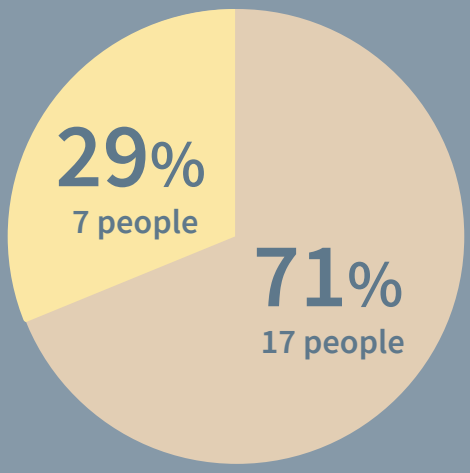


TEMPORARY STAFF

PERMANENT STAFF

PART TIME STAFF

FULL TIME STAFF



EMPLOYEE WELFARE

For Rifò employees, in September 2022, a Enterprise bargaining agreement was signed to increase employee welfare.
The document includes the introduction of a series of benefits, including:

- Weekly schedule flexibility
- Supplementary healthcare assistance, which offers employees the possibility of obtaining a reimbursement of medical expenses incurred (through Fondo Est)
- Company bonus for achieving certain revenue goals
- Medical visit hours bank, which consists of a set of leave hours from which employees can use for medical examinations during working hours
- Home Office up to 2 days per week. This also leads to a lower impact in terms of CO2 emissions, related to a reduction in commuting on days when employees work remotely.
- Public transportation expenses reimbursement, in order to incentivize the use of trains.

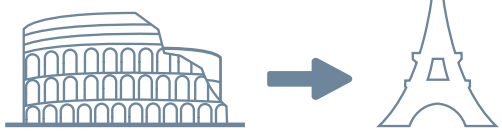
TRAIN BONUS

Thanks to the contractualized remote working and the reimbursement of public transport expenses for employees who requested it, we were able to reduce the impact of commuting to work.

A total of 11 people in our team benefited from the train bonus, resulting in a daily saving of

82.5 kg of CO_2

If we project these savings over a year, this contribution would correspond to the total amount of CO_2 emitted by a flight from Rome to Paris*



It may seem like a small amount, but we believe it can be considered significant, given Rifò's still very limited size as a company. What would happen if a company with thousands of employees started reducing the impact of their daily carbon footprint?

* **Note: "Rome to Paris" is used as an example to provide context for the amount of CO2 emissions saved.**

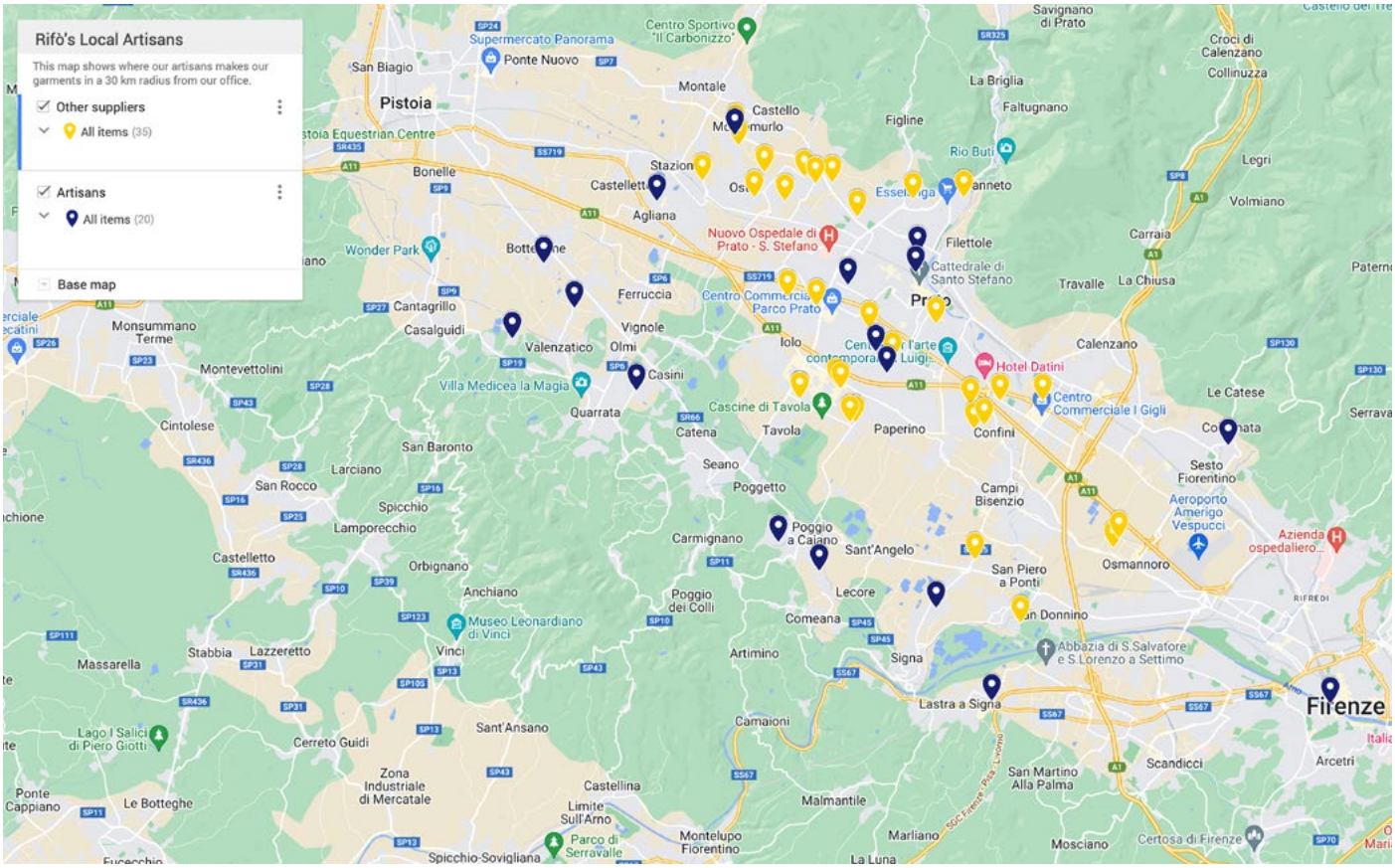
2.6 Local economy and textile tradition

Our local supply chain

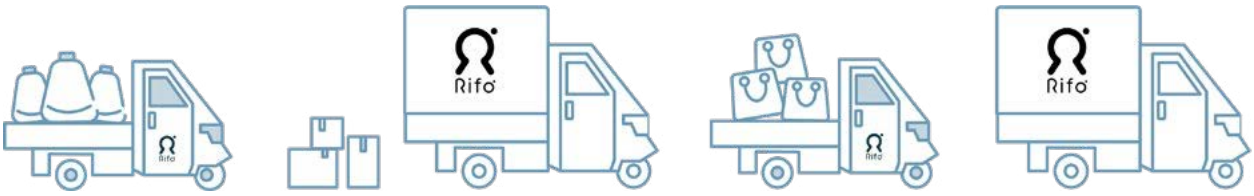
For the production of our garments, we rely on trusted suppliers, who are in some cases the extension of our team.
We have daily communications and, thanks to proximity, we visit them several times a month.

This direct connection is our strength. Without the possibility and the will to work on a small scale, we would not be able to avoid overproduction through the presale model.

The 20 artisans who produce our garments are located at an average distance of 18 km from our office.



Map available here



In 2022, our two company vehicles traveled 3,737 km just to visit our local artisans and suppliers, generating an impact of 2.6 tons of CO_2. This is equivalent to the impact of a container travelling three times from China to Italy by sea.*

Monitoring the social sustainability of our supply chain

For the making of our garments we collaborate with artisans who share our core values.
We ask them to sign a Code of Conduct, in which they declare their commitment to respect the 4 principles of the ***International Labour Organization*** (ILO).
These principles are the following:

- Freedom of association and effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labour
- The effective abolition of child labour
- The elimination of discrimination in respect of employment and occupation.

Last year, we started planning our long-term project of supply chain monitoring. To conduct this activity, we engaged ***Bureau Veritas***, which is a company specialized in Testing, Inspection and Certification.

Source: www.ecotransit.org/en/emissioncalculator/

During 2022, Bureau Veritas conducted the first session of supply chain audit, aimed at verifying working conditions and compliance of our suppliers with social responsibility principles, focusing on the following areas:

- Regulatory compliance
- Forced and child labor
- Working environment (health and safety)
- Working hours
- Remuneration
- Environment

Five of the artisans who produce our garments and their suppliers were audited.

Specifically, the first session of supply chain monitoring took place between November 2022 and February 2023, involving 9 suppliers:

- 4 first-tier suppliers, having a close and collaborative relationship with us
- 5 second-tier suppliers, who are involved by our artisans in specific phases in the making of our garments (e.g. ironing)

The audit results are as follows:

✓ 4 audits did not require further steps
✓ 3 audits required a second review for minor non-conformities
✓ 1 audits required more in-depth verification
✓ 1 audits were not carried out due to denied access

78%
had no or minor non-conformities

22%
required a revision

Overall, 13 non-conformities were detected, of which 7 were minor and were resolved during a subsequent check. The other non-conformities were found during the audit of a second-tier supplier, which was then replaced due to the issues reported by Bureau Veritas.

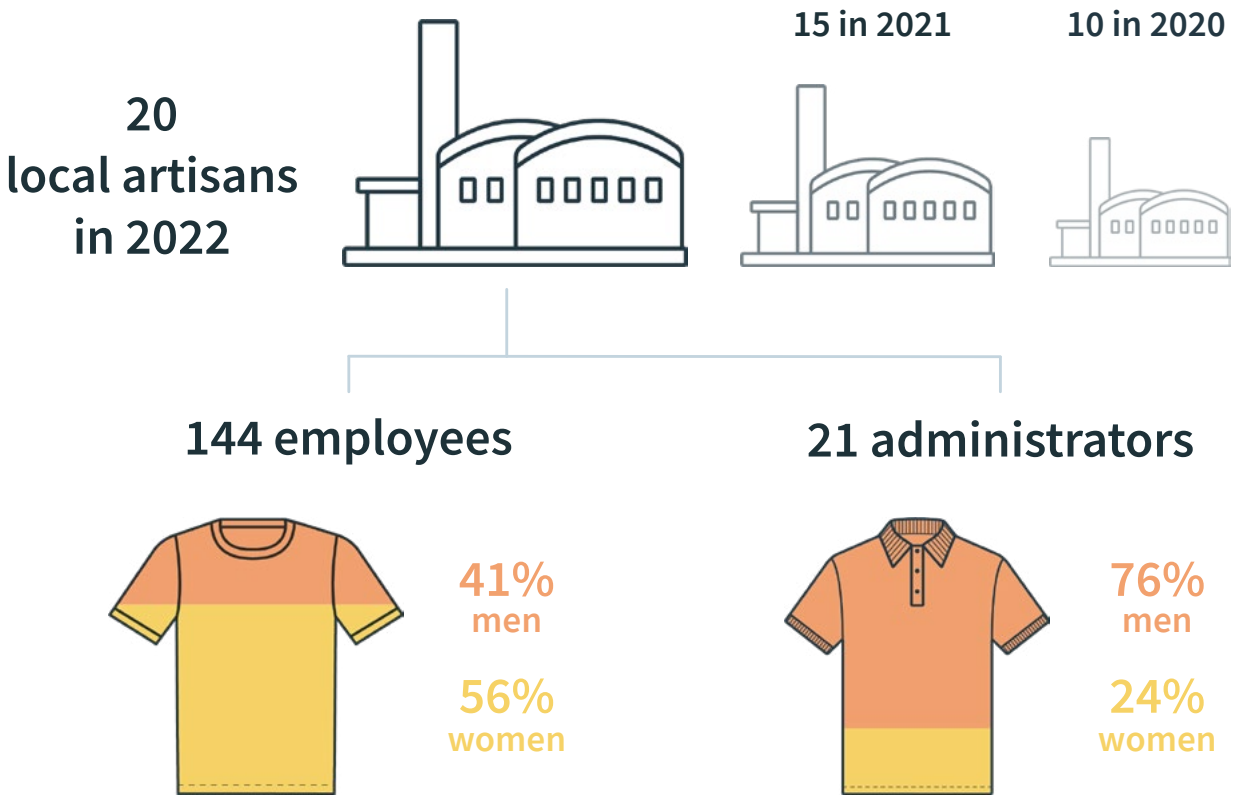
The audit allowed us to become aware of potentially critical situations concerning our supply chain, as well as to identify and correct the issues detected. On this occasion, we believe we encouraged suppliers to develop a strong attention to work condition and ethical principles.

2023 Goal: Audit 5 more artisans (including both first- and second-tier suppliers).

2024 Goal: Have all our artisans audited.

Increasing the number of artisans involved in our supply chain

In 2022, we had a positive impact on the local economy by working with 20 small and medium-sized businesses in the area. This marks a 33% growth compared to 2021 (15 artisans in our supply chain) and a 100% growth compared to 2020 (10 artisans in our supply chain).



Currently, a total of 144 people work in these companies and 69% of them are women. However, gender equality does not seem to have been achieved at the management level, with only a quarter of the of these local business administrated by women.

Our goal is to annually increase the number of local artisans we collaborate with, diversifying our production and remaining within a 30 km radius from our office, located in the textile district of Prato. In doing so, we aim to involve at least 5 new local companies every year.

Introducing our supply chain to the Rifò community through Textile Tours

In 2022, we created ***Textile Tours*** in collaboration with Cap Viaggi Tour Operator, to increase public awareness of our reality and the textile district we operate in.

These guided tours included visits to companies involved in textile recycling, such as:

- **Nuovi Fratelli Boretti**, where the traditional "cenciaiolis" work
- **Filpucci**, which makes new recycled yarns
- **Museo del Tessuto di Prato**, the history of our textile district
- **Rifò**, our headquarters and showroom

A total of 13 Textile Tours were organized during 2022.
Specifically, nine of these tours were organized for schools, while the others targeted a wider audience.
In total, 366 people from both Italy and abroad had the opportunity to see the craft of the "cenciaiolis" (traditional textile rag workers) and learn how textile waste materials can be transformed into new textile resources.

These tours allowed us to reach a wider audience, promoting our commitment to slow fashion and transparency in our sustainability practices beyond our niche market.

Our office powered by green energy

Minimizing our impacts means trying to limit resource consumption not only in our production but also in the daily office activities.
For this reason, in June 2022, we opted for an energy supply contract aligned with our values. The ***Eco Open Energia*** contract with the ***local supplier ESTRA*** involves the use of green energy from renewable sources (wind, solar, geothermal, hydraulic), certified by a Guarantee of Origin (GO) issued by the GSE.

Green energy refers to all energy produced from renewable sources (sun, wind, water, earth, and biomass), as opposed to that derived from fossil fuels, which has significant negative effects on the environment. Green energy is characterized by minimal levels of energy dispersion and emission of polluting gases, even equal to zero when we talk about wind, hydroelectric, and solar energy. It is an eco-sustainable energy in every phase of production, development, and use. Efficiency also concerns its transportation and final consumption, where waste undergoes a significant reduction compared to energy from other sources.*

**Source: www.estra.it/ef-magazine/energia-green-cos-e/*

Our ideas for the future

03.

Since the beginning, Rifò has defined itself as a "project in progress". We don't want to be just a brand, but a reality capable of creating connections, raising awaress, engaging people in circular economy, and, why not, creating services.

This creative process doesn't stop, and in this chapter, you'll find all the projects we have for the years to come.

3.1 Raising awareness and networking with other entities
3.2 Enhancing old garments and industrial scraps through a circular economy
3.3 Expanding our network of retailers and physical presence
3.4 Communicating our impacts and certifications
3.5 Sustainable Development Goals (SDGs)

3.1 Raising awareness and networking with other parties

One of our main goals has always been to act as representative of change, of a ***#Rifolution***. That's how we call this gentle revolution that has The ambitious objective of returning fashion to a sustainable course, both from a social and environmental perspective.

As the goal is so ambitious, we can't pursue it alone. In the past, we we enlisted the aid of additional businesses, organizations, and communicators in our awareness initiatives.

We believe in the power of unity, which is why we came up with the idea of creating a network of brands, companies, associations and professionals. We share with them the goal of promoting ethical and sustainable fashion as the main alternative to fast fashion.

In 2023, we want to make the ***Responsible Fashion Movement (MMR)*** and its Manifesto a reference point for sustainable fashion in Italy, gathering support from as many organizations as possible.

By joining forces, we want to become more visible and louder in the national context, allowing us to better convey our message. Our goal is to launch an effective awareness campaign together that may help young people learn more about sustainable fashion.

3.2 Enhancing old garments and industrial scraps through a circular economy

EXPANDING THE COLLECTION OF OLD GARMENTS WITH FLUFFYPACK

For the past 3 years, we have been collecting old clothing involving people in a transparent and local textile recycling process. You must examine a garment's composition to determine whether it is recyclable. In our case, it must be between 95-100% wool, cashmere, and denim. This is the only way to produce something recycled that is just as good as the original product.

However, experience has taught us that pure or almost pure composition garments are becoming increasingly rare, and fast fashion has put enormous quantities of garments in circulation that cannot be recycled. We thus considered a strategy to repurpose mixed-composition clothing that would otherwise be discarded since it couldn't be recycled. Our new reusable packaging Fluffypack was created out of this need and the need to replace the recycled cardboard boxes that we used to ship our online sales.

We tested this solution at the end of 2022 and, after positive comments, we decided to gradually replace the recycled cardboard boxes with this new packaging.

This project will also enable us to start the collection of garments with a mixed composition, containing cotton, wool and polyester in any percentage. The only requirement for the production of our Fluffypack felt is a maximum presence of 5% elastane in the garment composition.

The advantage of this material is that it allows us to make our circular services more inclusive by collecting even those garments with mixed composition that cannot be transformed into a new yarn due to the current limitations of recycling technologies.

RICIRCOLO PROJECT FOR DEADSTOCK

During our weekly visits to our suppliers, we noticed the presence of many unused materials in stock. Given the high concentration of textile companies in our area, we came up with the idea of creating a network of local businesses to involve in a project aimed at enhancing the remaining stock, which we called *RICIRCOLO*.
The idea is to repurpose leftover fabrics by transforming them into limited edition products, focusing on home collections, accessories, and small capsule collections.

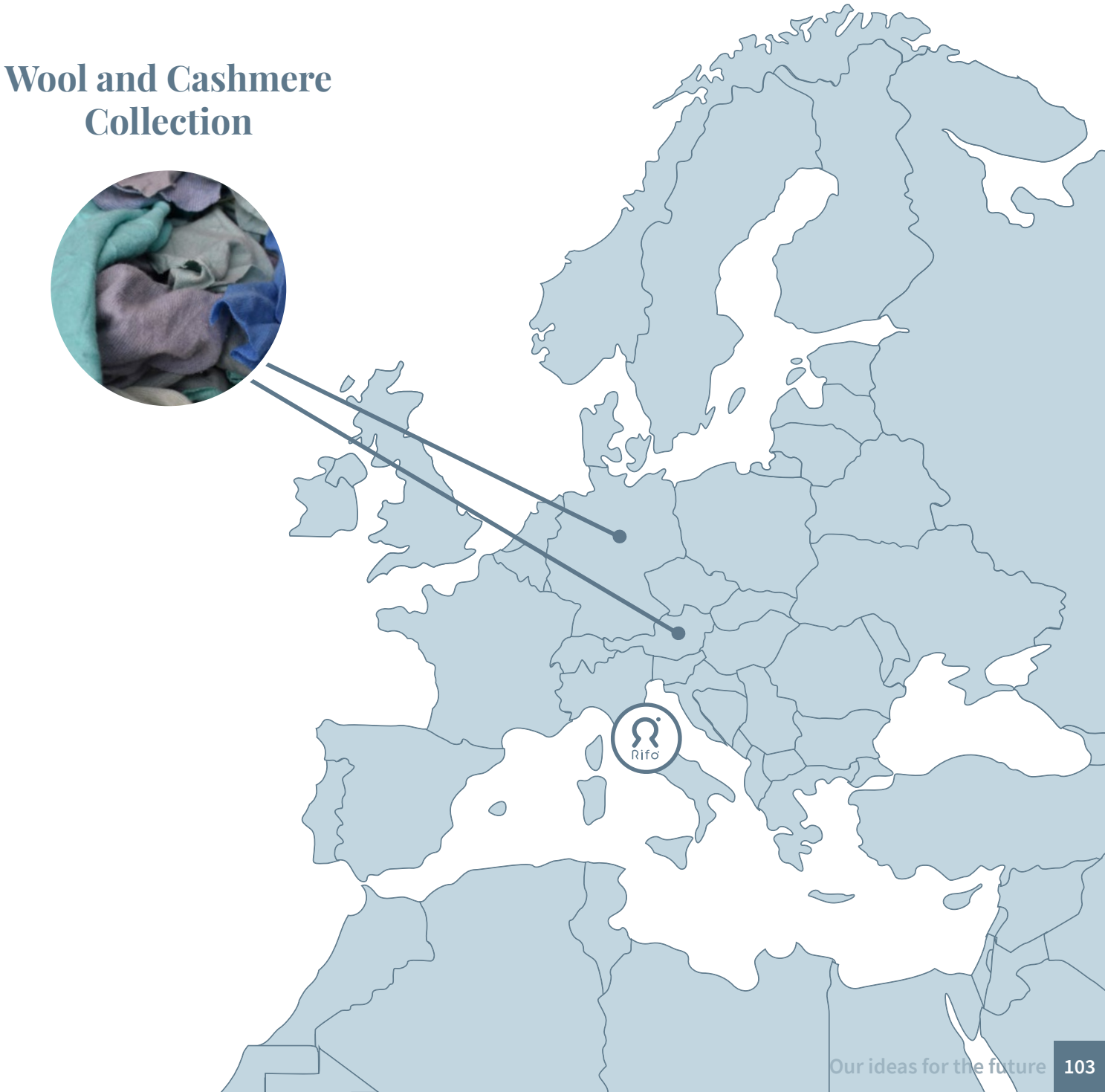
For the RICIRCOLO project, we will also accept working with mixed compositions and non-recycled materials, although we generally prefer pure compositions and high-value materials such as linen, cotton, and wool.

This will be a circular economy project that goes beyond traditional material recycling practices, remaining consistent with our goal of reducing waste in the textile industry.

BRINGING COLLECTION SERVICES ABROAD

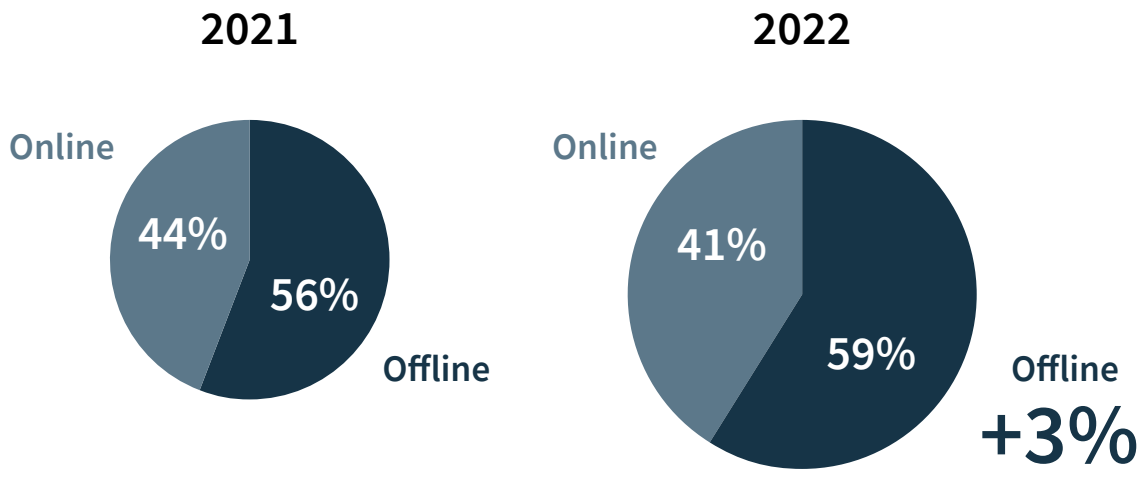
Due to the high demand and interest from our retailers in Northern Europe for our initiatives, in 2022 we decided to make our wool and cashmere collection service international. Therefore, we involved in this circular economy project 10 of our retailers in Germany and Austria.

Our plan is to gradually expand our network of collection points abroad, involving Rifò retailers located in other foreign countries in our circular services.



3.3 Expanding our network of retailers and physical presence

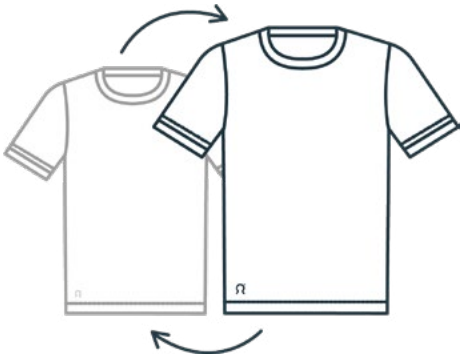
The turnover produced by Rif product sales to retail stores has been our company's main source of income for the last two years.



Despite the fact that we first operated as an online store, we still think that interacting with clients in person adds a lot of value and promotes a more ethical and responsible consumption.
For this reason, we want to invest more in offline activities and that's why we're planning to open a Rifò pop-up store in Milan from November to December 2023.

THE EFFECTS OF E-COMMERCE SALES

The biggest environmental impact related to e-commerce is packaging and transportation of goods, with a significant waste of resources caused by returns, often due to size changes.



In 2022, 11% of our total online orders was returned.
Among them, only 3% required a size exchange.

The environmental effects of e-commerce can be considerably reduced by providing precise size information throughout the purchasing phase, including thorough size charts and first-rate customer care to address customer issues. However, even with our efforts in this direction, a small percentage of returns still has a considerable environmental impact.

For example, considering that couriers travel an average of 300 km to deliver one single Rifò order, and each size change requires a double transportation, in 2022 there has been a surplus of 87,900 km traveled due to our size exchange. This is the equivalent of approximately 13.8 T of CO2 emissions, what could be absorbed planting 544 new trees.*

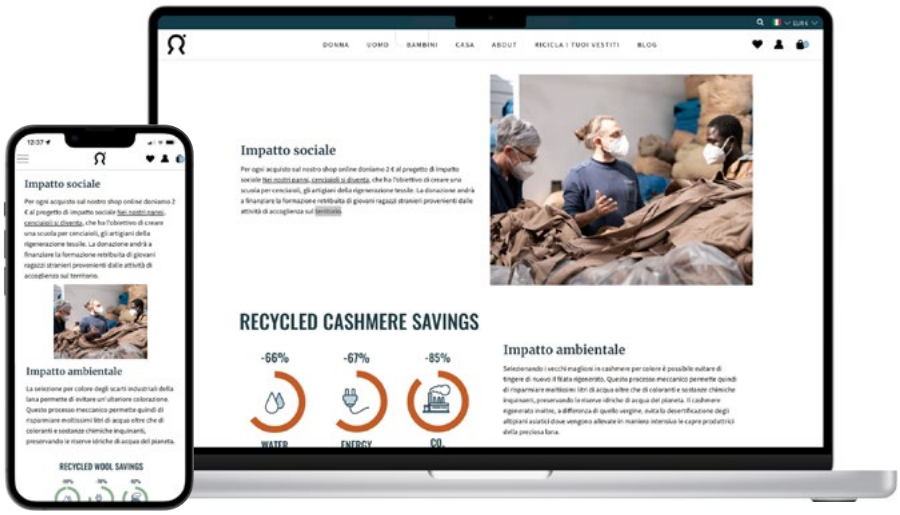
Increasing our physical presence through retailers and a Rifò pop-up shop is a step in the right direction.

Moreover we hope to reduce sizing errors by adding a size finder to our website.

**Source: www.ateneoverde.it/calcolo-co2/*

3.4 Communicating our impacts and certifications

On our e-commerce we provide data and detailed information about the social and environmental impacts related to each of our products.



So far, we have gathered these information either through the LCA studies provided by our suppliers or through first-hand knowledge, based on data collected during visits to artisans and approximate calculations.
To further improve the impact data reported on our e-commerce, we are planning to adopt a sustainability platform, that is BCome. In this way, we will be able to increase transparency and reliability in what we communicate to our customers.

Thanks to the BCome technology, we will be able to:

- Track and manage supply chain data related to articles, materials, suppliers, and certificates.
- Discover the environmental impacts of our collections through an LCA that conforms to the latest methodological recommendations of the European Commission.
- Use the results obtained to continuously improve the impacts of our supply chain.
- Transparently communicate to our community through clear and qualified reports for each of our products.

3.5 Sustainable Development Goals (SDGs)

By pursuing our goal of being a true alternative to fast fashion, we are also contributing to the achievement of the sustainable development goals proposed by the United Nations.

We promote gender equality by having a balanced team with strong representation of women. Additionally, we collaborate with several female-led artisanal businesses.

We provide fair job opportunities within the territory where we operate.

We innovate by reviving a traditional practice that was falling into disuse. Textile recycling processes have been in use for over 100 years, and today their “common sense” means sustainability.

We promote and support the development of a sustainable and greener urban industry.

We innovate by reviving a traditional practice that was falling into disuse. Textile recycling processes have been in use for over 100 years, and today their “common sense” means sustainability.

Goals	KPI	Target for 2022	Results in 2022	Target for 2023
Innovate production processes	Percentage of recycled fibers on the the total amount of fibers used for our production	**79%**	✓ **85%**	**78%**
Produce clothes in a sustainable way	Percentage of cashmere/ wool and jeans collected on the total amount of cashmere/ wool and denim yarns used in our production	**60% Jeans 10% Wool & Cashmere**	**14%** ✓ 63% Jeans ✗ 4% Wool & Cashmere	**16%**
Create new working opportunities for vulnerable people	Number of job and integration opportunities created for vulnerable people and migrants	**5**	✓ **5**	**10**

Goals	KPI	Target for 2022	Results in 2022	Target for 2023
Create new working opportunities for vulnerable people	Percentage of women in our team on the total workforce	70%	✓ 77%	80%
Increase the number of artisan businesses involved in our circular economy projects	Number of artisan businesses involved in our circular economy projects	18	✓ 20	21

With this Sustainability Report we want to confirm our commitment to be transparent and honest with the community that supports our activity and follows us on our communication channels.

We really have to thank everyone who spent even 5 minutes of its time reading one of our content, investigating a specific sustainable fashion issue, or just looking at the product details on our e-commerce.

We really think that a more conscious way to act and exercise our consumer power is to take the time to understand and be aware of what is going on around us. As we grow as a brand we are understanding more and more that being able to find a balance between what the market offers and our values is the biggest challenge, and at the same time the thing we like the most about our work.

See you next year with Sustainability Report 2023!

Methodological note

Legal name of the organization: **RIFO SRL**
Nature of ownership and legal form: **Innovative Startup, SME from 2023**
Location: **VIA VINCENZO DA FILICAIA 26/C, 59100 Prato PO**
Countries of operation: **ITALY**
Reporting period: **Jan-Dec 2022 (annual)**
Publication date of the report: **12 May 2023**

Contacts:

Claudia Ermini, Sustainability Manager
clermini@rifo-lab.com

Eleonora Marini, Communication Specialist
emarini@rifo-lab.com

Niccolò Cipriani, Founder and CEO
ncipriani@rifo-lab.com

Join the #Rifolution

Rifo

@rifolab

@rifolution

www.rifo-lab.com